

[CLICK HERE TO GET ALL THE NOTES FOR CA FOUNDATION](#)



CA MATES TEAM

BUSINESS LAW QUESTION BANK FOR CA FOUNDATION

BY CA MATES TEAM

- THE INDIAN CONTRACT ACT, 1872
- THE SALE OF GOODS ACT, 1930
- THE INDIAN PARTNERSHIP ACT, 1932
- THE LIMITED LIABILITY PARTNERSHIP ACT, 2008
- THE COMPANIES ACT, 2013

INCLUDES QUESTIONS FROM -:

- ❖ ICAI STUDY MATERIAL (Latest)
- ❖ PAST YEAR QUESTION PAPERS
May, 18 ; Nov, 18 ; May, 19 ; Nov, 19
- ❖ REVISION TEST PAPER
May, 18 ; Nov, 18 ; May, 19 ; Nov, 19 ; May 20 ; Nov 20
- ❖ MOCK TEST PAPER
Mar, 18 ; Aug, 18 ; Mar, 19 ; Apr, 19 ; Oct,19 ; May,20 ; Oct,20

THE INDIAN CONTRACT ACT, 1872

1. "All contracts are agreements, but all agreements are not contracts". Comment.
2. A sends an offer to B to sell his second-car for ` 1,40,000 with a condition that if B does not reply within a week, he (A) shall treat the offer as accepted. Is A correct in his proposition? (RTP Nov, 19)
3. Explain the type of contracts in the following agreements under the Indian Contract Act, 1872:
 - (i) A coolie in uniform picks up the luggage of A to be carried out of the railway station without being asked by A and A allows him to do so.
 - (ii) Obligation of finder of lost goods to return them to the true owner.
 - (iii) A contracts with B (owner of the factory) for the supply of 10 tons of sugar, but before the supply is effected, the fire caught in the factory and everything was destroyed. (RTP May, 20)
4. Shambhu Dayal started "self service" system in his shop. Smt. Prakash entered the shop, took a basket and after taking articles of her choice into the basket reached the cashier for payments. The cashier refuses to accept the price. Can Shambhu Dayal be compelled to sell the said articles to Smt. Prakash? Decide as per the provisions of the Indian Contract Act, 1872. (MTP Mar, 19)
5. State whether there is any contract in following cases:
 - (a) A engages B to do certain work and remuneration to be paid as fixed by C.
 - (b) A and B promise to pay for the studies of their maid's son
 - (c) A takes a seat in public bus.
 - (d) A, a chartered accountant promises to help his friend to file his return.
6. Miss Shakuntala puts an application to be a teacher in the school. She was appointed by the trust of the school. Her friend who works in the same school informs her about her appointment informally. But later due to some internal reasons her appointment was cancelled. Can Miss Shakuntala claim for damages?
7. To form a valid contract, consideration must be adequate". Comment. (MTP Aug, 18) (MTP Oct, 19) (RTP Nov, 20)
8. Mr. Sohanlal sold 10 acres of his agricultural land to Mr. Mohanlal on 25th September 2020 for ` 25 Lakhs. The Property papers mentioned a condition, amongst other details, that

whosoever purchases the land is free to use 9 acres as per his choice but the remaining 1 acre has to be allowed to be used by Mr. Chotelal, son of the seller for carrying out farming or other activity of his choice. On 12th October, 2020, Mr. Sohanlal died leaving behind his son and life. On 15th October, 2020 purchaser started construction of an auditorium on the whole 10 acres of land and denied any land to the son. Now Mr. Chotelal wants to file a case against the purchaser and get a suitable redressal. Discuss the above in light of provisions of Indian Contract Act, 1872 and decide upon Mr. Chotelal's plan of action? (May, 19) (MTP May, 20)

9. "Mere silence does not amount to fraud". Discuss. (MTP Mar, 18) (MTP Apr, 19) (RTP Nov, 18)

10. "An agreement, the meaning of which is not certain, is void". Discuss.

11. "Though a minor is not competent to contract, nothing in the Contract Act prevents him from making the other party bound to the minor". Discuss. (RTP May, 18)

12. A student was induced by his teacher to sell his brand new car to the later at less than the purchase price to secure more marks in the examination. Accordingly, the car was sold. However, the father of the student persuaded him to sue his teacher. State whether the student can sue the teacher? (RTP May, 18) (RTP Nov, 19)

13. Explain the concept of 'misrepresentation' in matters of contract. (RTP May, 19)

Sohan induced Suraj to buy his motorcycle saying that it was in a very good condition. After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% cost of repairs. After few days, the motorcycle did not work at all. Now Suraj wants to rescind the contract. Decide giving reasons whether Suraj can rescind the contract? (MTP May, 20) (RTP May, 19) (RTP May, 20)

14. Mr. SAMANT owned a motor car. He approached Mr. CHHOTU and offered to sell his motor car for ` 3,00,000. Mr. SAMANT told Mr. CHHOTU that the motor car is running at the rate of 30 KMs per litre of petrol. Both the fuel meter and the speed meter of the car were working perfectly. Mr. CHHOTU agreed with the proposal of Mr. SAMANT and took delivery of the car by paying ` 3,00,000/- to Mr. SAMANT. After 10 days, Mr. CHHOTU came back with the car and stated that the claim made by Mr. SAMANT regarding fuel efficiency was not correct and therefore there was a case of misrepresentation. Referring to the provisions of the Indian Contract Act, 1872, decide and write whether Mr. CHHOTU can rescind the contract in the above ground. (MTP Aug, 18) (RTP Nov, 20)

15. Ishaan, aged 16 years, was studying in an engineering college. On 1st March, 2018 he took a loan of ` 2 lakhs from Vishal for the payment of his college fee and agreed to pay by 30th May, 2019. Ishaan possesses assets worth ` 15 lakhs. On due date Ishaan fails to pay back the loan to Vishal. Vishal now wants to recover the loan from Ishaan out of his assets. Decide whether

Vishal would succeed referring to the provisions of the Indian Contract Act, 1872. (MTP Mar, 18) (MTP Oct, 20)

16. X, Y and Z jointly borrowed ` 50,000 from A. The whole amount was repaid to A by Y. Decide in the light of the Indian Contract Act, 1872 whether:

- (i) Y can recover the contribution from X and Z,
- (ii) Legal representatives of X are liable in case of death of X,
- (iii) Y can recover the contribution from the assets, in case Z becomes insolvent. (MTP Oct, 20) (RTP Nov, 19)

17. Mr. Rich aspired to get a self-portrait made by an artist. He went to the workshop of Mr. C an artist and asked whether he could sketch the former's portrait on oil painting canvass. Mr. C agreed to the offer and asked for ` 50,000 as full advance payment for the above creative work. Mr. C clarified that the painting shall be completed in 10 sittings and shall take 3 months. On reaching to the workshop for the 6th sitting, Mr. Rich was informed that Mr. C became paralyzed and would not be able to paint for near future. Mr. C had a son Mr. K who was still pursuing his studies and had not taken up his father's profession yet? Discuss in light of the Indian Contract Act, 1872?

- (i) Can Mr. Rich ask Mr. K to complete the artistic work in lieu of his father?
- (ii) Could Mr. Rich ask Mr. K for refund of money paid in advance to his father? (May, 19)

18. Mr. JHUTH entered into an agreement with Mr. SUCH to purchase his (Mr. SUCH's) motor car for ` 5,00,000/- within a period of three months. A security amount of ` 20,000/- was also paid by Mr. JHUTH to Mr. SUCH in terms of the agreement. After completion of three months of entering into the agreement, Mr. SUCH tried to contract Mr. JHUTH to purchase the car in terms of the agreement. Even after lapse of another three month period, Mr. JHUTH neither responded to Mr. SUCH, nor to his phone calls. After lapse of another period of six months. Mr. JHUTH contracted Mr. SUCH and denied to purchase the motor car. He also demanded back the security amount of ` 20,000/- from Mr. SUCH. Referring to the provisions of the Indian Contract Act, 1872, state whether Mr. SUCH is required to refund the security amount to Mr. JHUTH. Also examine the validity of the claim made by Mr. JHUTH, if the motor car would have destroyed by an accident within the three month's agreement period. (MTP Aug, 18)

19. Mr. Murari owes payment of 3 bills to Mr. Girdhari as on 31st March, 2020. (i) ` 12,120 which was due in May 2016. (ii) ` 5,650 which was due in August 2018 (iii) ` 9,680 which was due in May 2019. Mr. Murari made payment on 1st April 2020 as below without any notice of how to appropriate them:

- (i) A cheque of ` 9,680

(ii) A cheque of ` 15,000

Advice under the provisions of the Indian Contract Act, 1872.

20. What will be rights with the promisor in following cases? Explain with reasons:

(a) Mr. X promised to bring back Mr. Y to life again.

(b) A agreed to sell 50 kgs of apple to B. The loaded truck left for delivery on 15th March but due to riots in between reached A on 19th March.

(c) An artist promised to paint on the fixed date for a fixed amount of remuneration but met with an accident and lost his both hands.

(d) Abhishek entered into contract of import of toys from China. But due to disturbance in the relation of both the countries, the imports from China were banned.

21. "An anticipatory breach of contract is a breach of contract occurring before the time fixed for performance has arrived". Discuss stating also the effect of anticipatory breach on contracts. (MTP Mar, 19) (MTP Oct, 19) (MTP Oct, 20) (RTP Nov, 18)

22. "Liquidated damage is a genuine pre-estimate of compensation of damages for certain anticipated breach of contract whereas Penalty on the other hand is an extravagant amount stipulated and is clearly unconscionable and has no comparison to the loss suffered by the parties". Explain.

23. 'X' entered into a contract with 'Y' to supply him 1,000 water bottles @ ` 5.00 per water bottle, to be delivered at a specified time. Thereafter, 'X' contracts with 'Z' for the purchase of 1,000 water bottles @ ` 4.50 per water bottle, and at the same time told 'Z' that he did so for the purpose of performing his contract entered into with 'Y'. 'Z' failed to perform his contract in due course and market price of each water bottle on that day was ` 5.25 per water bottle. Consequently, 'X' could not procure any water bottle and 'Y' rescinded the contract. Calculate the amount of damages which 'X' could claim from 'Z' in the circumstances? What would be your answer if 'Z' had not informed about the 'Y's' contract? Explain with reference to the provisions of the Indian Contract Act, 1872. (MTP Mar, 18) (MTP Apr, 19) (RTP Nov, 20)

24. Explain the term 'Quasi Contracts' and state their characteristics. (RTP Nov, 19) (RTP Nov, 20)

25. X, a minor was studying in M.Com. in a college. On 1st July, 2019 he took a loan of ` 1,00,000 from B for payment of his college fees and to purchase books and agreed to repay by 31st December, 2019. X possesses assets worth ` 9 lakhs. On due date, X fails to pay back the loan to B. B now wants to recover the loan from X out of his (X's) assets. Referring to the provisions of Indian Contract Act, 1872 decide whether B would succeed. (RTP May, 20)

26. P left his carriage on D's premises. Landlord of D seized the carriage against the rent due from D. P paid the rent and got his carriage released. Can P recover the amount from D?
27. X, Y and Z are partners in a firm. They jointly promised to pay ` 3,00,000 to D. Y become insolvent and his private assets are sufficient to pay 1/5 of his share of debts. X is compelled to pay the whole amount to D. Examining the provisions of the Indian Contract Act, 1872, decide the extent to which X can recover the amount from Z. (May, 2018) (RTP Nov, 18)
28. State the exceptions to the rule "An agreement without consideration is void". (May 2018)
29. Distinguish between wagering agreement and contract of insurance. (May 2018) (Nov, 20)
30. Examine with reason that the given statement is correct or incorrect "Minor is liable to pay for the necessaries supplied to him". (May 2018)
31. M Ltd., contract with Shanti Traders to make and deliver certain machinery to them by 30.6.2017 for ` 11.50 lakhs. Due to labour strike, M Ltd. could not manufacture and deliver the machinery to Shanti Traders. Later, Shanti Traders procured the machinery from another manufacturer for ` 12.75 lakhs. Due to this Shanti Traders was also prevented from performing a contract which it had made with Zenith Traders at the time of their contract with M Ltd. and were compelled to pay compensation for breach of contract. Advise Shanti Traders the amount of compensation which it can claim from M Ltd., referring to the legal provisions of the Indian Contract Act, 1872. (May 2018) (MTP Oct, 19) (RTP May, 18)
32. Define Fraud. Whether "mere silence will amount to fraud" as per the Indian Contract Act, 1872? (May 2018)
33. Mr. X and Mr. Y entered into a contract on 1st August, 2018, by which. Mr. X had to supply 50 tons of sugar to Mr. Y at a certain price strictly within a period of 10 days of the contract. Mr. Y also paid an amount of ` 50,000 towards advance as per the terms of the above contract. The mode of transportation available between their places is roadway only. Severe flood came on 2nd August, 2018 and the only road connecting their places was damaged and could not be repaired within fifteen days. Mr. X offered to supply sugar on 20th August, 2018 for which Mr. Y did not agree. On 1st September, 2018, Mr. X claimed compensation of ` 10,000 from Mr. Y for refusing to accept the supply of sugar, which was not there within the purview of the contract. On the other hand, Mr. Y claimed for refund of ` 50.000 which he had paid as advance in terms of the contract. Analyse the above situation in terms of the provisions of the Indian Contract Act, 1872 and decide on Y's contention. (Nov, 18) (MTP Mar, 19)
34. What is Contingent Contract? Discuss the essentials of Contingent Contract as per the Indian Contract Act, 1872. (Nov, 18)
35. . Mr. Ramesh promised to pay ` 50,000 to his wife Mrs. Lali so that she can spend the sum on her 30th birthday. Mrs. Lali insisted her husband to make a written agreement if he really loved

her. Mr. Ramesh made a written agreement and the agreement was registered under the law. Mr. Ramesh failed to pay the specified amount to his wife Mrs. Lali. Mrs. Lali wants to file a suit against Mr. Ramesh and recover the promised amount. Referring to the applicable provisions of the Contract Act, 1872, advise whether Mrs. Lali will succeed. (Nov, 18)

36. A shop-keeper displayed a pair of dress in the show-room and a price tag of ` 2,000 was attached to the dress. Ms. Lovely looked to the tag and rushed to the cash counter. Then she asked the shop-keeper to receive the payment and pack up the dress. The shop-keeper refused to hand-over the dress to Ms. Lovely in consideration of the price stated in the price tag attached to the Ms. Lovely seeks your advice whether she can sue the shop-keeper for the above cause under the Indian Contract Act, 1872. (Nov, 18)

37. Explain the modes of revocation of an offer as per the Indian Contract Act, 1872. (Nov, 18) (MTP Aug, 18)

38. "Mere silence is not fraud" but there are some circumstances where the "silence is fraud". Explain the circumstances as per the provision of Indian Contract Act, 1872? (May, 19)

39. Discuss the essentials of Undue Influence as per the Indian Contract Act, 1872. (May, 19)

40. X found a wallet in a restaurant. He enquired of all the customers present there but the true owner could not be found. He handed over the same to the manager of the restaurant to keep till the true owner is found. After a week he went back to the restaurant to enquire about the wallet. The manager refused to return it back to X, saying that it did not belong to him. In the light of the Indian Contract Act, 1872, can X recover it from the Manager? (Nov, 19)

41. Define consideration. What are the legal rules regarding consideration under the Indian Contract Act, 1872? (Nov, 19)

42. Mr. Sonumal a wealthy individual provided a loan of ` 80,000 to Mr. Datumal on 26.02.2019. The borrower Mr. Datumal asked for a further loan of ` 1,50,000. Mr. Sonumal agreed but provided the loan in parts at different dates. He provided ` 1,00,000 on 28.02.2019 and remaining ` 50,000 on 03.03.2019. On 10.03.2019 Mr. Datumal while paying off part ` 75,000 to Mr. Sonumal insisted that the lender should adjusted ` 50,000 towards the loan taken on 03.03.2019 and balance as against the loan on 26.02.2019. Mr. Sonumal objected to this arrangement and asked the borrower to adjust in the order of date of borrowal of funds. Now you decide: (i) Whether the contention of Mr. Datumal correct or otherwise as per the provisions of the Indian Contract Act, 1872? (ii) What would be the answer in case the borrower does not insist on such order of adjustment of repayment? (iii) What would the mode of adjustment/appropriation of such part payment in case neither Mr. Sonumal nor Mr. Datumal insist any order of adjustment on their part? (Nov, 19)

43. Explain the term 'Coercion' and what are the effects of coercion under Indian Contract Act, 1872. (Nov, 19) (RTP May, 18)

44. State the grounds upon which a contract may be discharged under the provisions of the Indian Contract Act, 1872. (MTP Mar, 18) (MTP Apr, 19) (MTP May, 20)

45. "No consideration, no contract". Discuss. (MTP Mar, 18) (MTP Apr, 19) (RTP May, 19)

46. When a contract has been broken, the party who suffers by such a breach is entitled to receive compensation for any loss or damage caused to him". Discuss. (MTP Aug, 18)

47. Define consideration. State the characteristics of a valid consideration. (MTP Mar, 19) (RTP Nov, 18)

48. Krish, Kanya and Ketan are partners in a firm. They jointly promised to pay Rs. 6,00,000 to Dia. Kanya become insolvent and her private assets are sufficient to pay 1/5 of her share of debts. Krish is compelled to pay the whole amount to Dia. Examining the provisions of the Indian Contract Act, 1872, decide the extent to which Krish can recover the amount from Ketan. (MTP Apr, 19)

49. Point out with reason whether the following agreements are valid or void:

(i) Riya promises Samarth to lend Rs. 500,000 in lieu of consideration that Samarth gets Riya's marriage dissolved and he himself marries her.

(ii) Aryan agrees with Mathew to sell his black horse. Unknown to both the parties, the horse was dead at the time of agreement.

(iii) Ravi sells the goodwill of his shop to Shyam for Rs. 4,00,000 and promises not to carry on such business forever and anywhere in India.

(iv) In an agreement between Prakash and Girish, there is a condition that they will not institute legal proceedings against each other without consent. (MTP Oct, 19) (RTP Nov, 18)

50. P sells by auction to Q a horse which P knows to be unsound. The horse appears to be sound but P knows about the unsoundness of the horse. Is this contract valid in the following circumstances:

(i) If P says nothing about the unsoundness of the horse to Q.

(ii) If P says nothing about it to Q who is P's daughter.

(iii) If Q says to P "If you do not deny it, I shall assume that the horse is sound." P says nothing. (MTP May, 20) (RTP May, 19)

51. "When a party to a contract has refused to perform, or disabled himself from performing his promise in its entirety, the promisee may put an end to the contract". Explain (MTP May, 20)

52. Explain the meaning of 'Contingent Contracts' and state the rules relating to such contracts. (MTP Oct, 20) (RTP May, 19) (RTP May, 20)

53. 'X' agreed to become an assistant for 2 years to 'Y' who was practicing Chartered Accountant at Jodhpur. It was also agreed that during the term of agreement 'X' will not practice as a Chartered Accountant on his own account within 20 kms of the office of 'Y' at Jodhpur. At the end of one year, 'X' left the assistantship of 'Y' and started practice on his own account within the said area of 20 kms.

Referring to the provisions of the Indian Contract Act, 1872, decide whether 'X' could be restrained from doing so? (RTP May, 18)

54. A stranger to a contract cannot sue, however in some cases even a stranger to contract may enforce a claim. Explain. (RTP May, 18)

55. A received certain goods from B promising to pay ` 1,00,000. Later on, A expressed his inability to make payment. C, who is known to A, pays ` 60,000 to B on behalf of A. However, A was not aware of the payment. Now B is intending to sue A for the amount of ` 1,00,000. Discuss whether the contention of B is right? (RTP May, 18) (RTP May, 19)

56. Decide with reasons whether the following agreements are valid or void under the provisions of the Indian Contract Act, 1872:

(i) Vijay agrees with Saini to sell his black horse for ` 3,00,000. Unknown to both the Parties, the horse was dead at the time of the agreement.

(ii) Sarvesh sells the goodwill of his shop to Vikas for ` 10,00,000 and promises not to carry on such business forever and anywhere in India.

(iii) Mr. X agrees to write a book with a publisher. After few days, X dies in an accident. (RTP May, 18)

57. Ramaswami proposed to sell his house to Ramanathan. Ramanathan sent his acceptance by post. Next day, Ramanathan sends a telegram withdrawing his acceptance. Examine the validity of the acceptance according to the Indian Contract Act, 1872 in the light of the following:

(a) The telegram of revocation of acceptance was received by Ramaswami before the letter of acceptance.

(b) The telegram of revocation and letter of acceptance both reached together. (RTP Nov, 18)

58. Mr. Balwant, an old man, by a registered deed of gift, granted certain landed property to Ms. Reema, his daughter. By the terms of the deed, it was stipulated that an annuity of ` 20, 000 should be paid every year to Mr. Sawant, who was the brother of Mr. Balwant. On the same day Ms. Reema made a promise to Mr. Sawant and executed in his favour an agreement to give effect to the stipulation. Ms. Reema failed to pay the stipulated sum. In an action against her by Mr. Sawant, she contended that since Mr. Sawant had not furnished any consideration, he has no

right of action. Examining the provisions of the Indian Contract Act, 1872, decide, whether the contention of Ms. Reema is valid? (RTP Nov, 18)

59. A coolie in uniform picks up the luggage of R to be carried out of the railway station without being asked by R and R allows him to do so. Examine whether the coolie is entitled to receive money from R under the Indian Contract Act, 1872 (RTP Nov, 18)

60. Comment on the following statements:

(a) Acceptance must be absolute and unqualified.

(b) Acceptance must be in the prescribed mode (RTP May, 19)

61. Define an offer. Explain the essentials of a valid offer. How an offer is different from an invitation to offer? (RTP Nov, 19)

62. What do you understand by the term 'Consideration'? Are there any circumstances under which a contract, under the provisions of the Indian Contract Act, 1872, without consideration is valid? Explain. (RTP Nov, 19)

63. What is the law relating to determination of compensation, on breach of contract, contained in section 73 of the Indian Contract Act, 1872? (RTP Nov, 19)

64. "Only a person who is party to a contract can sue on it". Explain this statement and describe its exceptions, if any. (RTP May, 20)

65. Explain the circumstances in which the person is deemed to be in a position to dominate the will of the other person under the Indian Contract Act, 1872. (RTP May, 20)

66. What is a wagering agreement? Describe the transactions which resembles with wagering transactions but are not void. (RTP May, 20)

67. "The basic rule is that the promisor must perform exactly what he has promised to perform." Explain stating the obligation of parties to contracts. (RTP May, 20)

68. What do you mean by Quantum Meruit and state the cases where the claim for Quantum Meruit arises? (RTP May, 20)

69. Define the term "Acceptance". Discuss the legal provisions relating to communication of acceptance. (RTP Nov, 20)

THE SALE OF GOODS ACT, 1930

1. A agrees to buy a new TV from a shop keeper for Rs. 30,000 payable partly in cash of Rs. 20,000 and partly in exchange of old TV set. Is it a valid Contract of Sale of Goods? Give reasons for your answer.

2. A agrees to sell to B 100 bags of sugar arriving on a ship from Australia to India within next two months. Unknown to the parties, the ship has already sunk. Does B have any right against A under the Sale of Goods Act, 1930?

3. X contracted to sell his car to Y. They did not discuss the price of the car at all. X later refused to sell his car to Y on the ground that the agreement was void being uncertain about price. Can Y demand the car under the Sale of Goods Act, 1930?

4. Classify the following transactions according to the types of goods they are:

(i) A wholesaler of cotton has 100 bales in his godown. He agrees to sell 50 bales and these bales were selected and set aside.

(ii) A agrees to sell to B one packet of sugar out of the lot of one hundred packets lying in his shop.

(iii) T agrees to sell to S all the apples which will be produced in his garden this year. (MTP Oct, 20) (RTP Nov, 19)

5. M/s Woodworth & Associates, a firm dealing with the wholesale and retail buying and selling of various kinds of wooden logs, customized as per the requirement of the customers. They dealt with Rose wood, Mango wood, Teak wood, Burma wood etc.

Mr. Das, a customer came to the shop and asked for wooden logs measuring 4 inches broad and 8 feet long as required by the carpenter. Mr. Das specifically mentioned that he required the wood which would be best suited for the purpose of making wooden doors and window frames. The Shop owner agreed and arranged the wooden pieces cut into as per the buyers requirements.

The carpenter visited Mr. Das's house next day, and he found that the seller has supplied Mango Tree wood which would most unsuitable for the purpose. The carpenter asked Mr. Das to return the wooden logs as it would not meet his requirements.

The Shop owner refused to accept return of the wooden logs on the plea that logs were cut to specific requirements of Mr. Das and hence could not be resold.

(i) Explain the duty of the buyer as well as the seller according to the doctrine of “Caveat Emptor”.

(ii) Whether Mr. Das would be able to get the money back or the right kind of wood as required serving his purpose? (May, 19) (MTP May, 20)

6. Mrs. Geeta went to the local rice and wheat wholesale shop and asked for 100 kgs of Basmati rice. The Shopkeeper quoted the price of the same as ` 125 per kg to which she agreed. Mrs. Geeta insisted that she would like to see the sample of what will be provided to her by the shopkeeper before she agreed upon such purchase. The shopkeeper showed her a bowl of rice as sample. The sample exactly corresponded to the entire lot. The buyer examined the sample casually without noticing the fact that even though the sample was that of Basmati Rice but it contained a mix of long and short grains. The cook on opening the bags complained that the dish if prepared with the rice would not taste the same as the quality of rice was not as per requirement of the dish. Now Mrs. Geeta wants to file a suit of fraud against the seller alleging him of selling mix of good and cheap quality rice.

Will she be successful?

Decide the fate of the case and options open to the buyer for grievance redressal as per the provisions of Sale of Goods Act, 1930?

What would be your answer in case Mrs. Geeta specified her exact requirement as to length of rice? (Nov, 19)

7. X consults Y, a motor-car dealer for a car suitable for touring purposes to promote the sale of his product. Y suggests ‘Santro’ and X accordingly buys it from Y. The car turns out to be unfit for touring purposes. What remedy X is having now under the Sale of Goods Act, 1930? (RTP Nov, 18)

8. Mrs. G bought a tweed coat from P. When she used the coat she got rashes on her skin as her skin was abnormally sensitive. But she did not make this fact known to the seller i.e. P. Mrs. G filled a case against the seller to recover damages. Can she recover damages under the Sale of Goods Act, 1930?

9. Certain goods were sold by sample by A to B, who in turn sold the same goods by sample to C and C by sample sold the goods to D. The goods were not according to the sample. Therefore, D who found the deviation of the goods from the sample rejected the goods and gave a notice to C. C sued B and B sued A. Advise B and C under the Sale of Goods Act, 1930.

10. A person purchased bread from a baker's shop. The piece of bread contained a stone in it which broke buyer's tooth while eating. What are the rights available to the buyer against the seller under the Sale of Goods Act, 1930?

11. "Nemo Dat Quod Non Habet" – "None can give or transfer goods what he does not himself own." Explain the rule and state the cases in which the rule does not apply under the provisions of the Sale of Goods Act, 1930. (MTP Oct, 20) (RTP May, 20)

12. J the owner of a Fiat car wants to sell his car. For this purpose, he hand over the car to P, a mercantile agent for sale at a price not less than ` 50, 000. The agent sells the car for ` 40, 000 to A, who buys the car in good faith and without notice of any fraud. P misappropriated the money also. J sues A to recover the Car. Decide giving reasons whether J would succeed. (RTP May, 18) (RTP Nov, 19) (RTP Nov, 20)

13. Mr. S agreed to purchase 100 bales of cotton from V, out of his large stock and sent his men to take delivery of the goods. They could pack only 60 bales. Later on, there was an accidental fire and the entire stock was destroyed including 60 bales that were already packed. Referring to the provisions of the Sale of Goods Act, 1930 explain as to who will bear the loss and to what extent? (RTP May, 20)

14. Ms. Preeti owned a motor car which she handed over to Mr. Joshi on sale or return basis. After a week, Mr. Joshi pledged the motor car to Mr. Ganesh. Ms. Preeti now claims back the motor car from Mr. Ganesh. Will she succeed? Referring to the provisions of the Sale of Goods Act, 1930, decide and examine what recourse is available to Ms. Preeti. (MTP Aug, 18)

15. A, B and C were joint owner of a truck and the possession of the said truck was with B. X purchased the truck from B without knowing that A and C were also owners of the truck. Decide in the light of provisions of Sales of Goods Act 1930, whether the sale between B and X is valid or not?

16. X agreed to purchase 300 tons of wheat from Y out of a larger stock. X sent his men with the sacks and 150 tons of wheat were put into the sacks. Then there was a sudden fire and the entire stock was gutted. Who will bear the loss and why?

17. The buyer took delivery of 20 tables from the seller on sale or return basis without examining them. Subsequently, he sold 5 tables to his customers. The customer lodged a complaint of some defect in the tables. The buyer sought to return tables to the seller. Was the buyer entitled to return the tables to the seller under the provisions of the Sale of Goods Act, 1930?

18. A delivered a horse to B on sale and return basis. The agreement provided that B should try the horse for 8 days and return, if he did not like the horse. On the third day the horse died without the fault of B. A files a suit against B for the recovery of price. Can he recover the price?

19. When can an unpaid seller of goods exercise his right of lien over the goods under the Sale of Goods Act? Can he exercise his right of lien even if the property in goods has passed to the buyer? When such a right is terminated? Can he exercise his right even after he has obtained a decree for the price of goods from the court?

20. Mr. D sold some goods to Mr. E for ` 5,00,000 on 15 days credit. Mr. D delivered the goods. On due date, Mr. E refused to pay for it. State the position and rights of Mr. D as per the Sale of Goods Act, 1930. (May 2018) (MTP Apr, 19)

21. Ram sells 200 bales of cloth to Shyam and sends 100 bales by lorry and 100 bales by Railway. Shyam receives delivery of 100 bales sent by lorry, but before he receives the delivery of the bales sent by railway, he becomes bankrupt. Can Ram exercise right of stopping the goods in transit? (RTP May, 19)

22. Suraj sold his car to Sohan for ` 75,000. After inspection and satisfaction, Sohan paid ` 25,000 and took possession of the car and promised to pay the remaining amount within a month. Later on, Sohan refuses to give the remaining amount on the ground that the car was not in a good condition. Advise Suraj as to what remedy is available to him against Sohan. (RTP Nov, 19) (RTP Nov, 20)

23. A agrees to sell certain goods to B on a certain date on 10 days credit. The period of 10 days expired and goods were still in the possession of A. B has also not paid the price of the goods. B becomes insolvent. A refuses to deliver the goods to exercise his right of lien on the goods. Can he do so under the Sale of Goods Act, 1930?

24. A, who is an agent of a buyer, had obtained the goods from the Railway Authorities and loaded the goods on his truck. In the meantime, the Railway Authorities received a notice from B, the seller for stopping the goods in transit as the buyer has become insolvent. Referring to the provisions of Sale of Goods Act, 1930, decide whether the Railway Authorities can stop the goods in transit as instructed by the seller?

25. J sold a machine to K. K gave a cheque for the payment. The cheque was dishonoured. But J handed over a delivery order to K. K sold the goods to R on the basis of the delivery order. J wanted to exercise his right of lien on the goods. Can he do so under the provisions of the Sale of Goods Act, 1930?

26. What is meant by delivery of goods under the Sale of Goods Act, 1930? State various modes of delivery. (May 2018) (MTP Oct, 19)

27. What is appropriation of goods under the Sale of Goods Act, 1930? State the essentials regarding appropriation of unascertained goods. (May 2018)

28. Differentiate between Ascertained and Unascertained Goods with example. (Nov, 18)

29. What is the Doctrine of "Caveat Emptor"? What are the exceptions to the Doctrine of "Caveat Emptor"? (Nov, 18) (MTP Aug, 18) (RTP May, 18)(Nov, 20)

30. Mr. G sold some goods to Mr. H for certain price by issue of an invoice, but payment in respect of the same was not received on that day. The goods were packed and lying in the godown of Mr. G. The goods were inspected by H's agent and were found to be in order. Later on, the dues of the goods were settled in cash. Just after receiving cash, Mr. G asked Mr. H that goods should be taken away from his godown to enable him to store other goods purchased by him. After one day, since Mr. H did not take delivery of the goods, Mr. G kept the goods out of the godown in an open space. Due to rain, some goods were damaged.

Referring to the provisions of the Sale of Goods Act, 1930, analyse the above situation and decide who will be held responsible for the above damage. Will your answer be different, if the dues were not settled in cash and are still pending? (Nov, 18) (MTP Oct, 19)

31. Discuss the various types of implied warranties as per the Sales of Goods Act, 1930? (May, 19)

32. "A non-owner can convey better title to the bonafide purchaser of goods for value." Discuss the cases when a person other than the owner can transfer title in goods as per the provisions of the Sales of Goods Act, 1930? (May, 19) (MTP May, 20)

33. State the various essential elements involved in the sale of unascertained goods and its appropriation as per the Sale of Goods Act, 1930. (Nov, 19)

34. What are the rights of an unpaid seller against goods under the Sale of Goods Act, 1930? (Nov, 19)

35. Explain the difference between Sale and Agreement to sell under the Sale of Goods Act, 1930. (MTP Mar, 18) (MTP Apr, 19)

36. What are the implied conditions in a contract of 'Sale by sample' under the Sale of Goods Act, 1930? State also the implied warranties operative under the said Act. (MTP Mar, 18) (MTP Apr, 19) (RTP Nov, 19)
37. Mr. Samuel agreed to purchase 100 bales of cotton from Mr. Varun, out of his large stock and sent his men to take delivery of the goods. They could pack only 60 bales. Later on, there was an accidental fire and the entire stock was destroyed including 60 bales that were already packed. Referring to the provisions of the Sale of Goods Act, 1930 explain as to who will bear the loss and to what extent? (MTP Mar, 18) (MTP Mar, 19)
38. State briefly the essential element of a contract of sale under the Sale of Goods Act, 1930. Examine whether there should be an agreement between the parties in order to constitute a sale under the said Act. (MTP Aug, 18) (RTP May, 20)
39. Explain the term "Delivery and its forms" under the Sale of Goods Act, 1930. (MTP Mar, 19) (RTP May, 18)
40. What do you understand by the term "unpaid seller" under the Sale of Goods Act, 1930? When can an unpaid seller exercise the right of stoppage of goods in transit? (MTP Mar, 19) (MTP Oct, 19) (RTP May, 18) (RTP Nov, 18)
41. Distinguish between a 'Condition' and a 'Warranty' in a contract of sale. When shall a 'breach of condition' be treated as 'breach of warranty' under the provisions of the Sale of Goods Act, 1930? Explain. (MTP May, 20) (RTP May, 19)
42. A, who is an agent of a buyer, had obtained the goods from the Railway Authorities and loaded the goods on his truck. In the meantime, the Railway Authorities received a notice from B, the seller for stopping the goods in transit as the buyer has become insolvent. Referring to the provisions of Sale of Goods Act, 1930, decide whether the Railway Authorities can stop the goods in transit as instructed by the seller? (MTP Oct, 20)
43. Describe the consequences of "destruction of goods" under the Sale of Goods Act, 1930, where the goods have been destroyed after the agreement to sell but before the sale is affected. (RTP May, 18) (RTP Nov, 20)
44. Explain the "condition as to Merchantability" and "condition as to wholesomeness" under the Sale of Goods Act, 1930. (RTP May, 18)
45. Referring to the provisions of the Sale of Goods Act, 1930, state the rules provided to regulate the "Sale by Auction." (RTP Nov, 18) (Jan, 21)

46. Referring to the provisions of the Sale of Goods Act, 1930, state the circumstances under which when goods are delivered to the buyer “on approval” or “on sale or return” or other similar terms, the property therein passes to the buyer. Ms. Preeti owned a motor car which she handed over to Mr. Joshi on sale or return basis. After a week, Mr. Joshi pledged the motor car to Mr. Ganesh.

Ms. Preeti now claims back the motor car from Mr. Ganesh. Will she succeed? Referring to the provisions of the Sale of Goods Act, 1930, decide and examine what recourse is available to Ms. Preeti. (RTP Nov, 18)

47. . State briefly the essential element of a contract of sale under the Sale of Goods Act, 1930. (RTP Nov, 18) (RTP May, 19)

48. .There is no implied warranty or condition as to quality or fitness for any particular purpose of goods supplied under a contract of sale.” Discuss the significance and State exceptions, if any. (RTP Nov, 18)

49. For the purpose of making uniform for the employees, Mr. Yadav bought dark blue coloured cloth from Vivek, but did not disclose to the seller the purpose of said purchase. When uniforms were prepared and used by the employees, the cloth was found unfit. However, there was evidence that the cloth was fit for caps, boots and carriage lining. Advise Mr. Yadav whether he is entitled to have any remedy under the sale of Goods Act, 1930? (RTP May, 19)

50. What are the rules related to Acceptance of Delivery of Goods? (RTP May, 19)

51. What is an Implied Warranty and state the various types of Implied Warranties. (RTP May, 20)

52. What are the rights of buyer against the seller, if the seller commits a breach of contract under the Sale of Goods Act, 1930? (RTP May, 20)

53. Mr. Amit was shopping in a self-service Super market. He picked up a bottle of cold drink from a shelf. While he was examining the bottle, it exploded in his hand and injured him. He files a suit for damages against the owner of the market on the ground of breach of condition. Decide under the Sale of Goods Act, 1930, whether Mr. Amit would succeed in his claim? (RTP May, 20)

54. Distinguish between a ‘Condition’ and a ‘Warranty’ in a contract of sale. When shall a ‘breach of condition’ be treated as ‘breach of warranty’ under the provisions of the Sale of Goods Act, 1930? Explain. (RTP Nov, 20) (Jan, 21)

THE INDIAN PARTNERSHIP ACT, 1932

1. Mr. XU and Mr. YU are partners in a partnership firm. Mr. XU introduced MU (an employee) as his partner to ZU. MU remained silent. ZU, a trader believing MU as partner supplied 50 Laptops to the firm on credit. After expiry of credit period, ZU did not get amount of Laptop sold to the partnership firm. ZU filed a suit against XU and MU for the recovery of price. Does MU is liable for such purpose?
2. Ms. Lucy while drafting partnership deed taken care of few important points. What are those points? She want to know the list of information which must be part of partnership deed drafted by her. Also, give list of information to be included in partnership deed? (MTP Oct, 20)
3. State the modes by which a partner may transfer his interest in the firm in favour of another person under the Indian Partnership Act, 1932. What are the rights of such a transferee? (MTP Mar, 18) (MTP Apr, 19) (RTP Nov, 18)
4. Whether a minor may be admitted in the business of a partnership firm? Explain the rights of a minor in the partnership firm. (RTP May, 18)
5. M/s XYZ & Associates, a partnership firm with X, Y, Z as senior partners were engaged in the business of carpet manufacturing and exporting to foreign countries. On 25th August, 2018, they inducted Mr. G, an expert in the field of carpet manufacturing as their partner. On 10th January 2020, Mr. G was blamed for unauthorized activities and thus expelled from the partnership by united approval of rest of the partners.
 - (i) Examine whether action by the partners was justified or not?
 - (ii) What should have the factors to be kept in mind prior expelling a partner from the firm by other partners according to the provisions of the Indian Partnership Act, 1932? (May,19) (MTP Oct, 20)
6. A, B and C are partners in a firm. As per terms of the partnership deed, A is entitled to 20 percent of the partnership property and profits. A retires from the firm and dies after 15 days. B and C continue business of the firm without settling accounts. Explain the rights of A's legal representatives against the firm under the Indian Partnership Act, 1932? (RTP May, 18) (RTP May, 20)
7. Master X was introduced to the benefits of partnership of M/s ABC & Co. with the consent of all partners. After attaining majority, more than six months elapsed and he

failed to give a public notice as to whether he elected to become or not to become a partner in the firm. Later on, Mr. L, a supplier of material to M/s ABC & Co., filed a suit against M/s ABC & Co. for recovery of the debt due.

In the light of the Indian Partnership Act, 1932, explain:

(i) To what extent X will be liable if he failed to give public notice after attaining majority?

(ii) Can Mr. L recover his debt from X? (Nov, 19) (RTP Nov, 20)

8. Mr. A (transferor) transfer his share in a partnership firm to Mr. B (transferee). Mr. B is not entitled for few rights and privileges as Mr. A (transferor) is entitled therefor. Discuss in brief the points for which Mr. B is not entitled during continuance of partnership?

9. What is the procedure of registration of a partnership firm under the Indian Partnership Act, 1932? (RTP May, 19)

10. When does dissolution of a partnership firm take place under the provisions of the Indian Partnership Act, 1932? Explain. (MTP Mar, 19) (MTP Oct, 20) (RTP Nov, 19)

11. "Indian Partnership Act does not make the registration of firms compulsory nor does it impose any penalty for non-registration." In light of the given statement, discuss the consequences of non-registration of the partnership firms In India? (May, 19)

12. Distinguish between dissolution of firm and dissolution of partnership. (May, 18), (Nov, 19)

13. What are the consequences of Non-Registration of a Partnership Firm? Discuss. (May, 18) (MTP Oct, 19) (Nov, 20)

14. X, Y and Z are partners in a Partnership Firm. They were carrying their business successfully for the past several years. Spouses of X and Y fought in ladies club on their personal issue and X's wife was hurt badly. X got angry on the incident and he convinced Z to expel Y from their partnership firm. Y was expelled from partnership without any notice from X and Z. Considering the provisions of the Indian Partnership Act, 1932, state whether they can expel a partner from the firm. What are the criteria for test of good faith in such circumstances? (May 2018) (MTP Apr, 19)

15. What is the conclusive evidence of partnership? State the circumstances when partnership is not considered between two or more parties. (May 2018) (MTP Oct, 19)

16. "Though a minor cannot be a partner in a firm, he can nonetheless be admitted to the benefits of partnership."

(I) Referring to the provisions of the Indian Partnership Act, 1932, state the rights which can be enjoyed by a minor partner.

(II) A. State the liabilities of a minor partner both:

(i) Before attaining majority and

(ii) After attaining majority. (Nov, 18) (MTP Mar, 19) (MTP May, 20)

17. State the legal position of a minor partner after attaining majority:

(i) When he opts to become a partner of the same firm.

(ii) When he decide not to become a partner. (Nov, 18)

18. Mr. A, Mr. B and Mr. C were partners in a partnership firm M/s ABC & Co., which is engaged in the business of trading of branded furniture. The name of the partners was clearly written along with the firm name in front of the head office of the firm as well as on letter-head of the firm. On 1st October, 2018, Mr. C passed away. His name was neither removed from the list of partners as stated in front of the head office nor from the letter-heads of the firm. As per the terms of partnership, the firm continued its operations with Mr. A and Mr. B as partners. The accounts of the firm were settled and the amount due to the legal heirs of Mr. C was also determined on 10th October, 2018. But the same was not paid to the legal heirs of Mr. C. On 16th October, 2018, Mr. X, a supplier supplied furniture worth ` 20,00,000 to M/s ABC & Co. M/s ABC & Co. could not repay the amount due to heavy losses. Mr. X wants to recover the amount not only from M/s ABC & Co., but also from the legal heirs of Mr. C.

Analyses the above situation in terms of the provisions of the Indian Partnership Act, 1932 and decide whether the legal heirs of Mr. C can also be held liable for the dues towards Mr. X (Nov, 18)

19. Mr. M, Mr. N and Mr. P were partners in a firm, which was dealing in refrigerators. On 1st October, 2018, Mr. P retired from partnership, but failed to give public notice of his retirement. After his retirement, Mr. M, Mr. N and Mr. P visited a trade fair and enquired about some refrigerators with latest techniques. Mr. X, who was exhibiting his refrigerators with the new techniques was impressed with the interactions of Mr. P and requested for the visiting card of the firm. The visiting card also included the name of

Mr. P as a partner even though he had already retired. Mr. X. supplied some refrigerators to the firm and could not recover his dues from the firm. Now, Mr. X wants to recover the dues not only from the firm, but also from Mr. P.

Analyse the above case in terms of the provisions of the Indian Partnership Act, 1932 and decide whether Mr. P is liable in this situation. (Nov, 18)

20. State any four grounds on which Court may dissolve a partnership firm in case any partner files a suit for the same. (Nov, 18)

21. What is the provision related to the effect of notice to an acting partner of the firm as per the Indian Partnership Act, 1932? (May, 19)

22. Discuss the provisions regarding personal profits earned by a partner under the Indian Partnership Act, 1932? (May, 19)

23. "Whether a group of persons is or is not a firm, or whether a person is or not a partner in a firm." Explain the mode of determining existence of partnership as per the Indian Partnership Act, 1932? (May, 19)

24. When the continuing guarantee can be revoked under the Indian Partnership Act, 1932? (Nov, 19)

25. What do you mean by Goodwill as per the provisions of Indian Partnership Act, 1932? (Nov, 19)

26. With reference to the provisions of Indian partnership Act, 1932 explain the various effects of insolvency of a partner. (Nov, 19)

27. A, B and C are partners in a firm called ABC Firm. A, with the intention of deceiving D, a supplier of office stationery, buys certain stationery on behalf of the ABC Firm. The stationery is of use in the ordinary course of the firm's business. A does not give the stationery to the firm, instead brings it to his own use. The supplier D, who is unaware of the private use of stationery by A, claims the price from the firm. The firm refuses to pay for the price, on the ground that the stationery was never received by it (firm). Referring to the provisions of the Indian Partnership Act, 1932 decide:

(i) Whether the Firm's contention shall be tenable?

(ii) What would be your answer if a part of the stationery so purchased by A was delivered to the firm by him, and the rest of the stationery was used by him for private use, about which neither the firm nor the supplier D was aware? (MTP Mar, 18)

28. What is Partnership Deed and state the information contained therein? (MTP Mar, 18) (MTP Apr, 19) (RTP Nov, 18)

29. In the absence of any usage or custom of trade to the contrary, the implied authority of a partner does not empower him to do certain acts. State the acts which are beyond the implied authority of a partner under the provisions of the Indian Partnership Act, 1932? (MTP Aug, 18)

30. A, B, and C are partners of a partnership firm ABC & Co. The firm is a dealer in office furniture. A was in charge of purchase and sale, B was in charge of maintenance of accounts of the firm and C was in charge of handling all legal matters. Recently through an agreement among them, it was decided that A will be in charge of maintenance of accounts and B will be in charge of purchase and sale. Being ignorant about such agreement, M, a supplier supplied some furniture to A, who ultimately sold them to a third party. Referring to the provisions of the Partnership Act, 1932, advise whether M can recover money from the firm.

What will be your advice in case M was having knowledge about the agreement? (MTP Aug, 18) (MTP Mar, 19) (MTP May, 20)

31. Subject to agreement by partners, state the rules that should be observed by the partners in settling the accounts of the firm after dissolution under the provisions of the Indian Partnership Act, 1932. (MTP Aug, 18)

32. Distinguish between Partnership vs. Hindu Undivided Family. Write any two points. (MTP Oct, 19) (RTP May, 18)

33. Mahesh, Suresh and Dinesh are partners in a trading firm. Mahesh, without the knowledge or consent of Suresh and Dinesh borrows himself Rs. 50,000 from Ramesh, a customer of the firm, in the name of the firm. Mahesh, then buys some goods for his personal use with that borrowed money. Can Mr. Ramesh hold Mr. Suresh & Mr. Dinesh liable for the loan? Explain the relevant provisions of the Indian Partnership Act, 1932. (MTP Oct, 19)

34. "Indian Partnership Act does not make the registration of firms compulsory nor does it impose any penalty for non-registration."

Explain. Discuss the various disabilities or disadvantages that a non-registered partnership firm can face in brief? (MTP May, 20)

35. A & Co. is registered as a partnership firm in 2015 with A, B and C partners. In 2016, A dies. In 2017, B and C sue X in the name and on behalf of A & Co., without fresh registration. Decide whether the suit is maintainable. Whether your answer would be same if in 2017 B and C had taken a new partner D and then filed a suit against X without fresh registration? (RTP May, 18)

36. Ram & Co., a firm consists of three partners A, B and C having one third share each in the firm. According to A and B, the activities of C are not in the interest of the partnership and thus want to expel C from the firm. Advise A and B whether they can do so quoting the relevant provisions of the Indian Partnership Act, 1932. (RTP Nov, 18)

37. State the grounds on which a firm may be dissolved by the Court under the Indian Partnership Act, 1932? (RTP Nov, 18)

38. P, X, Y and Z are partners in a registered firm A & Co. X died and P retired. Y and Z filed a suit against W in the name and on behalf of firm without notifying to the Registrar of firms about the changes in the constitution of the firm. Is the suit maintainable? (RTP May, 19)

39. Ram, Mohan and Gopal were partners in a firm. During the course of partnership, the firm ordered Sunrise Ltd. to supply a machine to the firm. Before the machine was delivered, Ram expired. The machine, however, was later delivered to the firm. Thereafter, the remaining partners became insolvent and the firm failed to pay the price of machine to Sunrise Ltd.

Explain with reasons:

- (i) Whether Ram's private estate is liable for the price of the machine purchased by the firm?
- (ii) (ii) Against whom can the creditor obtain a decree for the recovery of the price? (RTP May, 19)

40. What do you mean by "implied authority" of the partners in a firm? Point out the extent of partner's implied authority in case of emergency, referring to the provisions of the Indian Partnership Act, 1932. (RTP May, 19)

41. State the legal consequences of the following as per the provisions of the Indian Partnership Act, 1932:

- (i) Retirement of a partner

(ii) Insolvency of a partner (RTP Nov, 19)

42. X and Y are partners in a partnership firm. X introduced A, a manager, as his partner to Z. A remained silent. Z, a trader believing A as partner supplied 100 T.V sets to the firm on credit. After expiry of credit period, Z did not get amount of T.V sets sold to the partnership firm. Z filed a suit against X and A for the recovery of price. Advise Z whether he can recover the amount from X and A under the Indian Partnership Act, 1932. (RTP Nov, 19)

43. Explain the following kinds of partnership under the Indian Partnership Act, 1932:

(i) Partnership at will

(ii) Particular partnership (RTP May, 20)

44. "Partner indeed virtually embraces the character of both a principal and an agent". Describe the said statement keeping in view of the provisions of the Indian Partnership Act, 1932. (RTP May, 20)

45. What are the various grounds under the Indian Partnership Act, 1932, on which the Court may, at the suit of the partner, dissolve a firm? (RTP May, 20)

46. Explain the provisions of the Indian Partnership Act, 1932 relating to the creation of Partnership by holding out. (RTP Nov, 20)

THE LIMITED LIABILITY PARTNERSHIP ACT, 2008

1. Examine the concept of LLP. Enumerate the various characteristics of the LLP. (RTP May, 19)
2. Differentiate between a LLP and a partnership firm? (RTP Nov, 18)
3. What do you mean by Designated Partner? Whether it is mandatory to appoint Designated partner in a LLP? (MTP Oct, 19) (RTP Nov, 20)
4. What are the effects of registration of LLP? (RTP Nov, 19)
5. Enumerate the circumstances in which LLP may be wound up by Tribunal. (MTP May, 20) (RTP May, 20) (Nov, 20)
6. "LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership". Explain. (May, 19) (MTP Oct, 20)
7. Explain the essential elements to incorporate a Limited Liability Partnership and the steps involved therein under the LLP Act, 2008. (Nov, 18)
8. What are the essential elements to form a LLP in India as per the LLP Act, 2008? (May 2018)
9. Discuss the conditions under which LLP will be liable and not liable for the acts of the partner. (Nov, 19)
10. State the meaning of Limited Liability Partnership (LLP). What are the relevant steps to incorporate LLP? (MTP Mar, 18) (MTP Apr, 19)
11. Differentiate between a Limited Liability Partnership and Limited Liability Company (MTP Aug, 18) (MTP Mar, 19) (RTP May, 18)
12. What do you mean by Limited Liability Partnership (LLP)? What are the advantages for forming a LLP for doing business? (RTP May, 18)
13. State the essential elements to incorporate a LLP? (RTP Nov, 18)
14. Who are the individuals which shall not be capable of becoming a partner of a Limited Liability Partnership? (RTP Nov, 19)
15. What is the procedure for changing the name of Limited Liability Partnership (LLP) under the LLP Act, 2008? (RTP May, 20)

THE COMPANIES ACT, 2013

1. What is meant by a Guarantee Company? State the similarities and dissimilarities between a Guarantee Company and a Company having Share Capital. (MTP Mar, 18) (MTP Apr, 19)
2. Can a non-profit organization be registered as a company under the Companies Act, 2013? If so, what procedure does it have to adopt? (RTP May, 18) (RTP May, 19)
3. Briefly explain the doctrine of “ultravires” under the Companies Act, 2013. What are the consequences of ultravires acts of the company? (RTP Nov, 18) (RTP May, 20)
4. Explain clearly the doctrine of ‘Indoor Management’ as applicable in cases of companies registered under the Companies Act, 2013. Explain the circumstances in which an outsider dealing with the company cannot claim any relief on the ground of ‘Indoor Management’. (RTP Nov, 19) (Jan, 21)
5. Mr. Anil formed a One Person Company (OPC) on 16th April, 2018 for manufacturing electric cars. The turnover of the OPC for the financial year ended 31st March, 2019 was about ` 2.25 Crores. His friend Sunil wanted to invest in his OPC, so they decided to convert it voluntarily into a private limited company. Can Anil do so? (Nov, 19) (RTP Nov, 20)
6. A, an assessee, had large income in the form of dividend and interest. In order to reduce his tax liability, he formed four private limited company and transferred his investments to them in exchange of their shares. The income earned by the companies was taken back by him as pretended loan. Can A be regarded as separate from the private limited company he formed? (Nov, 19)
7. Sound Syndicate Ltd., a public company, its articles of association empowers the managing agents to borrow both short and long term loans on behalf of the company, Mr. Liddle, the director of the company, approached Easy Finance Ltd., a non banking finance company for a loan of ` 25,00,000 in name of the company.

The Lender agreed and provided the above said loan. Later on, Sound Syndicate Ltd. refused to repay the money borrowed on the pretext that no resolution authorizing such loan have been actually passed by the company and the lender should have enquired about the same prior providing such loan hence company not liable to pay such loan.

Analyse the above situation in terms of the provisions of Doctrine of Indoor Management under the Companies Act, 2013 and examine whether the contention of Sound Syndicate Ltd. is correct or not? (May,19) (MTP Oct, 20)

8. Naveen incorporated a "One Person Company" making his sister Navita as the nominee. Navita is leaving India permanently due to her marriage abroad. Due to this fact, she is withdrawing her consent of nomination in the said One Person Company. Taking into considerations the provisions of the Companies Act, 2013 answer the questions given below.

(a) If Navita is leaving India permanently, is it mandatory for her to withdraw her nomination in the said One Person Company?

(b) If Navita maintained the status of Resident of India after her marriage, then can she continue her nomination in the said One Person Company? (RTP May, 20)

9. Examine the following whether they are correct or incorrect along with reasons:

(a) A company being an artificial person cannot own property and cannot sue or be sued.

(b) A private limited company must have a minimum of two members, while a public limited company must have at least seven members. (MTP Oct, 19) (RTP Nov, 18) (RTP May, 20)

10. Ravi Private Limited has borrowed ₹ 5 crores from Mudra Finance Ltd. This debt is ultra vires to the company. Examine, whether the company is liable to pay this debt? State the remedy if any available to Mudra Finance Ltd.? (May 2018)

11. Define OPC (One Person Company) and state the rules regarding its membership. Can it be converted into a non-profit company under Section 8 or a private company? (May 2018) (MTP Oct, 19) (RTP Nov, 18)

12. State the limitations of the doctrine of indoor management under the Companies Act, 2013. (May 2018)

13. A company registered under section 8 of the Companies Act, 2013, earned huge profit during the financial year ended on 31st March, 2018 due to some favorable policies declared by the Government of India and implemented by the company. Considering the development, some members of the company wanted the company to distribute dividends to the members of the company. They approached you to advise them about

the maximum amount of dividend that can be declared by the company as per the provisions of the Companies Act, 2013. Examine the relevant provisions of the Companies Act, 2013 and advise the members accordingly. (Nov, 18) (MTP Oct, 19)

14. There are cases where company law disregards the principle of corporate personality or the principle that the company is a legal entity distinct from its shareholders or members. Elucidate. (Nov, 18)

15. Mr. X had purchased some goods from M/s ABC Limited on credit. A credit period of one month was allowed to Mr. X. Before the due date Mr. X went to the company and wanted to repay the amount due from him. He found only Mr. Z there, who was the factory supervisor of the company. Mr. Z told Mr. X that the accountant and the cashier were on leave, he is in-charge of receiving money and he may pay the amount to him. Mr. Z issued a money receipt under his signature. After two months M/s ABC Limited issued a notice to Mr. X for non-payment of the dues within the stipulated period. Mr. X informed the company that he had already cleared the dues and he is no more responsible for the same. He also contended that Mr. Z is an employee of the company to whom he had made the payment and being an outsider, he trusted the words of Mr. Z as duty distribution is a job of the internal management of the company.

Analyse the situation and decide whether Mr. X is free from his liability. (Nov, 18) (MTP Mar, 19) (MTP Oct, 19)

16. What do you mean by "Companies with charitable purpose" (section 8) under the Companies Act, 2013? Mention the conditions of the issue and revocation of the licence of such company by the government. (May, 19)

17. Popular Products Ltd. is company incorporated in India, having a total Share Capital of ` 20 Crores. The Share capital comprises of 12 Lakh equity shares of ` 100 each and 8 Lakhs Preference Shares of ` 100 each. Delight Products Ltd. and Happy Products Ltd. hold 2,50,000 and 3,50,000 shares respectively in Popular Products Ltd. Another company Cheerful Products Ltd. holds 2,50,000 shares in Popular Products Ltd. Jovial Ltd. is the holding company for all above three companies namely Delight Products Ltd; Happy Products Ltd.; Cheerful Products Ltd. Can Jovial Ltd. be termed as subsidiary company of Popular products. Ltd., if it. Controls composition of directors of Popular Products Ltd. State the related provision in the favour of your answer. (May, 19)

18. "The Memorandum of Association is a charter of a company". Discuss. Also explain in brief the contents of Memorandum of Association. (Nov, 19)

19. Krishna, an assessee, was a wealthy man earning huge income by way of dividend and interest. He formed three Private Companies and agreed with each to hold a bloc of investment as an agent for them. The dividend and interest income received by the companies was handed back to Krishna as a pretended loan. This way, Krishna divided his income into three parts in a bid to reduce his tax liability.

Decide, for what purpose the three companies were established? Whether the legal personality of all the three companies may be disregarded. (MTP Mar, 18) (MTP Mar, 19) (MTP Apr, 19) (RTP May, 19)

20. Examine with reasons whether the following statement is correct or incorrect:

(i) A private limited company must have a minimum of two members, while a public limited company must have at least seven members.

(ii) Affixing of Common seal on company's documents is compulsory. (MTP Mar, 18) (MTP Apr, 19)

21. The Object Clause of Memorandum of Association of ABC Pvt. Ltd. authorised the company to carry on the business of trading in Fruits and Vegetables. The Directors of the company in recently concluded Board Meeting decided and accordingly, the company ordered for fish for the purpose of trading. FSH Limited supplied fish to ABC Pvt. Ltd. worth Rs. 36 Lakhs. The members of the company convened an extraordinary general meeting and negated the proposal of the Board of Directors on the ground of ultra vires acts. FSH Limited being aggrieved of the said decision of ABC Pvt Ltd. seeks your advice. Advice them. (MTP Aug, 18)

22. What is the meaning of "Certificate of Incorporation" under the provisions of the Companies Act, 2013? What are the effects of registration of a company? (MTP Aug, 18)

23. FAREB Limited was incorporated by acquisition of FAREB & Co., a partnership firm, which was earlier involved in many illegal activities. The promoters furnished some false information and also suppressed some material facts at the time of incorporation of the company. Some members of the public (not being directors or promoters of the company) approached the National Company Law Tribunal (NCLT) against the incorporation status of FAREB Limited. NCLT is about to pass the order by directing that the liability of the members of the company shall be unlimited.

Given the above, advice on whether the above order will be legal and mention the precaution to be taken by NCLT before passing order in respect of the above as per the provisions of the Companies Act, 2013. (MTP Aug, 18)

24. Flora Fauna Limited was registered as a public company. There are 230 members in the company as noted below:

(a) Directors and their relatives	190
(b) Employees	15
(c) Ex-Employees (Shares were allotted when they were employees	10
(d) 5 couples holding shares jointly in the name of husband and wife (5*2)	10
(e) Others	5

The Board of Directors of the company propose to convert it into a private company. Also advise whether reduction in the number of members is necessary. (MTP Mar, 19) (MTP May, 20) (RTP May, 19)

25. The persons (not being members) dealing with the company are always protected by the doctrine of indoor management. Explain. Also, explain when doctrine of Constructive Notice will apply. (MTP May, 20)

26. Alfa school started imparting education on 1st April, 2010, with the sole objective of providing education to children of weaker society either free of cost or at a very nominal fee depending upon the financial condition of their parents. However, on 30th March 2018, it came to the knowledge of the Central Government that the said school was operating by violating the objects clause due to which it was granted the status of a section 8 company under the Companies Act, 2013. Describe what powers can be exercised by the Central Government against the Alfa School, in such a case? (MTP May, 20)

27. PQR Private Ltd. is a company registered under the Companies Act, 2013 with a Paid Up Share Capital of ` 40 lakh and turnover of ` 2.5 crores. Explain the meaning of the "Small Company" and examine whether the PQR Private Ltd. can avail the status of small company in accordance with the provisions of the Companies Act, 2013. (MTP Oct, 20)

28. Explain the concept of "Dormant Company" as envisaged in the Companies Act, 2013. (RTP May, 18)

29. The Articles of Association of XYZ Ltd. provides that Board of Directors has authority to issue bonds provided such issue is authorized by the shareholders by a necessary resolution in the general meeting of the company. The company was in dire need of funds and therefore, it issued the bonds to Mr. X without passing any such resolution in general meeting. Can Mr. X recover the money from the company? Decide referring the relevant provisions of the Companies Act, 2013. (RTP May, 18)

30. When a company is registered, it is clothed with a legal personality. Explain. (RTP May, 18)

31. ABC Pvt. Ltd., is a Private Company having five members only. All the members of the company were going by car to Mumbai in relation to some business. An accident took place and all of them died. Answer with reasons, under the Companies Act, 2013 whether existence of the company has also come to the end? (RTP Nov, 18)

32. Some of the creditors of Pharmaceutical Appliances Ltd. have complained that the company was formed by the promoters only to defraud the creditors and circumvent the compliance of legal provisions of the Companies Act, 2013. In this context they seek your advice as to the meaning of corporate veil and when the promoters can be made personally liable for the debts of the company. (RTP Nov, 19)

33. Explain clearly the doctrine of 'Indoor Management' as applicable in cases of companies registered under the Companies Act, 2013. Explain the circumstances in which an outsider dealing with the company cannot claim any relief on the ground of 'Indoor Management'. (RTP Nov, 20)

Filename: LAW Question Bank - Copy - Copy
Directory: C:\Users\SIKHA SINGH\Desktop
Template: C:\Users\SIKHA
SINGH\AppData\Roaming\Microsoft\Templates\Normal.dotm
Title: CA FOUNDATION NOTES FOR ALL
Subject:
Author: sikha singh
Keywords:
Comments:
Creation Date: 18-03-2021 20:58:00
Change Number: 58
Last Saved On: 23-03-2021 01:58:00
Last Saved By: sikha singh
Total Editing Time: 888 Minutes
Last Printed On: 23-03-2021 01:59:00
As of Last Complete Printing
Number of Pages: 31
Number of Words: 10,477 (approx.)
Number of Characters: 59,725 (approx.)