

CS LLM Arjun Chhabra

(Law Maven)

Mo: 62 62 62 143 8 / 9552 52 143 8



Arjun Chhabra Tutorial

Education Gives You The Wings To FLY

Whats App/Call: 62 62 62 143 8 / 9552

CS LLB LLM Arjun Chhabra 9552 52 143 8
52 143 8

**Download our App from Play Store: Arjun
Chhabra Tutorial**

www.arjunchhabratutorial.com

CS LLM Arjun Chhabra

(Law Maven)

Mo: 62 62 62 143 8 / 9552 52 143 8

Blue print of Important Questions of CA Foundation Law June 23**Chapter 2 - Sale of Goods Act, 1930****Unit - I Formation of the Contract of Sale**Important topics & sections

1. Sale and agreement to sell - Sec 4
2. Sale Vs Hire Purchase
3. Goods & its types
4. Delivery & its types
5. Goods perishing before making of contract | Goods perishing before sale but after agreement to sell [Sec 7 & 8]
6. The price [Sec 9 & 10]

Q.1 State briefly the essential element of a contract of sale under the Sale of Goods Act, 1930.

Q.2 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.

Q.3 Sonal went to a Jewellery shop and asked the sales girl to show her diamond bangles with Ruby stones. The Jeweller told her that we have a lot of designs of diamond bangles but with red stones if she chooses for herself any special design of diamond bangle with red stones, they will replace red stones with Ruby stones. But for the Ruby stones they will charge some extra cost. Sonal selected a beautiful set of designer bangles and paid for them. She also paid the extra cost of Ruby stones. The Jeweller requested her to come back a week later for delivery of those bangles. When she came after a week to take delivery of bangles, she noticed that due to Ruby stones, the design of bangles has been completely disturbed. Now, she wants to terminate the contract and thus, asked the manager to give her money back, but he denied for the same. Answer the following questions as per the Sale of Goods Act, 1930.

- (i) State with reasons whether Sonal can recover the amount from the Jeweller.
- (ii) What would be your answer if Jeweller says that he can change the design, but he will charge extra cost for the same?

Q.4 In what ways does a "Sale" differ from "Hire-Purchase"?

Q.5 Explain the term goods and other related terms under the Sale of Goods Act, 1930.

Q.6 Differentiate between Ascertained and Unascertained Goods with example.

Q.7 What is meant by delivery of goods under the Sale of Goods Act, 1930? State various modes/forms of delivery.

Q.8 Avyukt purchased 100 Kgs of wheat from Bhaskar at Rs. 30 per kg. Bhaskar says that wheat is in his warehouse in the custody of Kishore, the warehouse keeper. Kishore confirmed Avyukt that he can take the delivery of wheat from him and till then he is holding wheat on Avyukt's behalf. Before Avyukt picks the goods from warehouse, the whole wheat in the warehouse has flowed in flood. Now Avyukt wants his price on the contention that no delivery has been done by seller. Whether Avyukt is right with his views under the Sale of Goods Act, 1930.

Q.9 With a view to boost the sales, Hanuman Automobiles sells a motorcar to Mr. A on trial basis for a period of three days with a condition that if Mr. A is not satisfied with the performance of the car, he can return back the car. However, the car was destroyed in a fire accident at the place of Mr. A before the expiry of three days. Decide whether Mr. A is liable for the loss suffered.

Q.10 Akansh purchased a Television set from Jethalal, the owner of Gada Electronics on the condition that first three days he will check its quality and if satisfied he will pay for that otherwise he will return the Television set. On the second day, the Television set was spoiled due to an earthquake. Jethalal demands the price of Television set from Akansh. Whether Akansh is liable to pay the price under the Sale of Goods Act, 1930? If not, who will ultimately bear the loss?

Q.11 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?

Q.12 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?

Q.13 P is having two bikes. He agrees to sell both of the bikes to S at a price to be fixed by the Q. He gives delivery of one bike immediately. Q refuses to fix the price. As such P ask S to return the bike already delivered while S claims for the delivery of the second bike too.

CS LLB LLM Arjun Chhabra - 9552 52 143 8

Unit- 2: Conditions & Warranties - Very Important Unit

Important topics & sections

1. Condition and warranty [Sec 12]
2. When condition to be treated as warranty
3. Sale by description [Sec 15]
4. Implied conditions as to quality or fitness [Sec 16(1)]
5. Implied conditions as to merchantability [Sec 16(2)]
6. Sale by sample [Sec 17]
7. Sale by sample as well as by description [Sec 15 & 17]
8. Implied Warranties
9. Caveat Emptor
10. Exclusion of implied terms and conditions [Sec 62]

Q.1 Ram consults Shyam, a motor-car dealer for a car suitable for touring purposes to promote the sale of his product. Shyam suggests 'Maruti' and Ram accordingly buys it from Shyam. The car turns out to be unfit for touring purposes. What remedy Ram is having now under the Sale of Goods Act, 1930?

Q.2 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.

Q.3 Mr. T was a retail trader of fans of various kinds. Mr. M came to his shop and asked for an exhaust fan for kitchen. Mr. T showed him different brands and Mr. M approved of a particular brand and paid for it. Fan was delivered at Mr. M's house; at the time of opening the packet he found that it was a table fan. He informed Mr. T about the delivery of the wrong fan. Mr. T refused to exchange the same, saying that the contract was complete after the delivery of the fan and payment of price.

(i) Discuss whether Mr. T is right in refusing to exchange as per provisions of Sale of Goods Act, 1930?

(ii) What is the remedy available to Mr. M?

Q.4 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?

Q.5 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?

Q.6 AB Cloth House, a firm dealing with the wholesale and retail buying and selling of various kinds of clothes, customized as per the requirement of the customers. They dealt with Silk, Organdie, cotton, khadi, chiffon and many other different varieties of cloth.

Mrs. Reema, a customer came to the shop and asked for specific type of cloth suitable for making a saree for her daughter's wedding. She specifically mentioned that she required cotton silk cloth which is best suited for the purpose.

The Shop owner agreed and arranged the cloth pieces cut into as per the buyers' requirements. When Reema went to the tailor for getting the saree stitched, she found that seller has supplied her cotton organdie material, cloth was not suitable for the said purpose. It has heavily starched and not suitable for making the saree that Reema desired for. The Tailor asked Reema to return the cotton organdie cloth as it would not meet his requirements.

The Shop owner refused to return the cloth on the plea that it was cut to specific requirements of Mrs. Reema and hence could not be resold.

With reference to the doctrine of "Caveat Emptor" explain the duty of the buyer as well as the seller. Also explain whether Mrs. Reema would be able to get the money back or the right kind of cloth as per the requirement?

Q.7 TK ordered timber of 1-inch thickness for being made into drums. The seller agreed to supply the required timber of 1 inch. However, the timber supplied by the seller varies in thickness from 1 inch to 1.4 inches. The timber is commercially fit for the purpose for which it was ordered. TK rejects the timber. Explain with relevant provisions of the Sales of Goods Act, 1930 whether TK can reject the timber.

Q.8 Explain the "condition as to Merchantability" and "condition as to wholesomeness" under the Sale of Goods Act, 1930. [RTP May 18] CS LLM Arjun Chhabra (Law Maven) Mo: 62 62 62 143 8

Related Question: 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]

Q.9 Mr. X, a retailer is running a shop dealing in toys for children. Once, he purchased from a wholesaler number of toy cars in a sale by sample. A boy came to the retailers shop to buy few toys. The retailer sold one of those toy cars to a boy. When the boy tried to play with it, it

broke into pieces because of a manufacturing defect therein and the boy was injured. Mr. X, the retailer was held bound to pay compensation to the boy because the child got injured due to the defective toy in his shop. Due to this incident, the retailer in his turn sued the wholesaler to claim indemnity from him.

With reference to the provisions of Sale of Goods Act, 1930 discuss if the retailer can claim compensation from wholesaler?

Q.10 Ankit needs a black pen for his exams. He went to a nearby stationery shop and told the seller for a black pen. Seller gives him a pen saying that it is a black pen but it was clearly mentioned on the packet of pen that "Blue Ink Pen." Ankit ignore that and takes the pen. After reaching his house, Ankit finds that the pen is actually a blue pen. Now Ankit wants to return the pen with the words that the seller has violated the implied conditions of sale by description. Whether Ankit can do what he wants as per the Sale of Goods Act, 1930.

Q.11 What are the implied conditions in a contract of 'Sale by sample' under the Sale of Goods Act, 1930? State also the implied warranties operatives under the said Act.

Q.12 Mr. Das, a general store owner went to purchase 200 kg. of Basmati Rice of specific length from a whole seller. He saw the samples of rice and agreed to buy the one for which the price was quoted as ₹50 per kg. While examining the sample Mr. Das failed to notice that the rice a mix of long and short grain of rice.

The whole seller supplied the required quantity exactly the same as shown in the sample. However, when Mr. Das sold the rice to one of his regular customers she complained that the rice contained two different qualities of rice and returned the rice.

With reference to the provisions of The Sales of Goods Act, 1930, discuss the options open to Mr. Das for-grievance redressal. What would be your answer in case Mr. Das specified his exact requirement as to the length of rice?

Q.13 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.

Q.14 Prashant reaches a sweet shop and ask for 1 Kg of 'Burfi' if the sweets are fresh. Seller replies' "Sir, my all sweets are fresh and of good quality." Prashant agrees to buy on the condition that first he tastes one piece of 'Burfi' to check the quality. Seller gives him one piece to taste. Prashant, on finding the quality is good, ask the seller to pack. On reaching the house, Prashant finds that 'Burfi' is stale not fresh while the piece tasted was fresh. Now, Prashant wants to avoid the contract and return the 'Burfi' to seller.

(a) State with reason whether Prashant can avoid the contract under the Sale of Goods Act, 1930?

(b) Will your answer be different if Prashant does not taste the sweet?

Q.15 Mr. P was running a shop selling good quality washing machines. Mr. Q came to his shop and asked for washing machine which is suitable for washing woollen clothes. Mr. P showed him a particular machine which Mr. Q liked and paid for it. Later on, when the machine was delivered at Mr. Q's house, it was found that it was wrong machine and also unfit for washing woollen clothes. He immediately informed Mr. P about the delivery of wrong machine. Mr. P refused to exchange the same, saying that the contract was complete after the delivery of washing machine and payment of price. With reference to the provisions of Sale of Goods Act, 1930, discuss whether Mr. P is right in refusing to exchange the washing machine?

Q.16 Discuss the various types of implied warranties as per the Sales of Goods Act, 1930?
Related Question: "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.

Q.17 What is the Doctrine of "Caveat Emptor"? What are the exceptions to the Doctrine of "Caveat Emptor"?

Q.18 A agreed to supply a 'new singer car' to B. In the agreement, the liability of the seller was excluded for "all conditions, warranties and liabilities". A supplied a 'used car' to B. The buyer (B) wanted to reject the car as it was not a new one. The seller A relied upon the express clause that the liability for all conditions and warranties has been excluded. **Advice B**

Unit- 3: Transfer of Ownership and Delivery of Goods

Important topics & sections

1. Section 18 - Goods must be ascertained
2. Section 19 - Transfer of Property in Ascertained/ Specific Goods
3. Specific Goods in a deliverable State [Sec. 20]
4. Specific Goods in deliverable state, but price not ascertained [Sec. 22]
5. Specific Goods not in a deliverable state [Sec. 21]
6. Section 18 & 23 Transfer of Property in unascertained Goods
7. Section 24 - Transfer of Property in case Goods sent on Approval or on Sale or Return basis
8. Section-26 Risk prima facie passes with property
9. Section-27 Sale by person not the owner
10. Section 28 - Sale by one of joint owners
11. Section - 29 Sale by person in possession under voidable contract
12. Section 30 - Seller or buyer in possession after sale
13. Section 37 - Delivery of wrong quantity
14. Section 44 Liability of buyer for neglecting or refusing delivery of goods.

Q.1 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?

Q.2 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?

Related Question: What is appropriation of goods under the Sale of Goods Act, 1930? State the essentials regarding appropriation of unascertained goods.

Q.3 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?

Q.4 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?

Q.5 "Risk Prima facie passes with the property" Elaborate in the Context to the Sale of Goods Act, 1930.

Q.6 "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.

Q.7 Mr. Shekhar wants to sell his car. For this purpose, he appoints Mr. Nadan, a minor as his agent. Mr. Shekhar instructs Mr. Nadan that car should not be sold at price less than Rs. 1,00,000. Mr. Nadan ignores the instruction of Mr. Shekhar and sells the car to Mr. Masoom for Rs. 80,000. Explain the legal position of contract under the Indian Contract Act, 1872 whether:

- (i) Mr. Shekhar can recover the loss of Rs. 20,000 from Mr. Nadan?
- (ii) Mr. Shekhar can recover his car from Mr. Masoom?

Q.8 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?

Q.9 A went to B's shop and selected some jewellery. He falsely represented himself to be a man of credit and thereby persuaded B to take the payment by cheque. He further requested him to hand over the particular type of ring immediately. On the due date, when the seller, B presented the cheque for payment, the cheque was found to be dishonoured. Before B could avoid the contract on the ground of fraud by A, he had sold the ring to C. C had taken the ring in good faith and without any notice of the fact that the goods with A were under a voidable contract. Discuss if such a sale made by non-owner is valid or not as per the provisions of Sale of Goods Act, 1930?

Q.10 Sohan is a trader in selling of wheat. Binod comes to his shop and ask Sohan to show him some good quality wheat. Binod is satisfied with the quality of wheat. Sohan agrees to sell 100 bags of wheat to Binod on 10th June 2021.

The delivery of wheat and the payment was to be made in next three months i.e. by 10 th September 2021 by Binod. Before the goods are delivered to Binod, Sohan gets another customer Vikram in his shop who is ready to pay higher price for the wheat. Sohan sells the goods of Binod (which were already lying in his possession even after sale) to Vikram. Vikram has no knowledge that Sohan is not the owner of goods. With reference to Sale of Goods Act,1930, discuss if such a sale made by Sohan to Vikram is a valid sale?

Q.11 A contract with B to buy 50 chairs of a certain quality. B delivers 25 chairs of the type agreed upon and 25 chairs of some other type. Under the circumstances, what are the rights of A against B under the Sale of Goods Act, 1930?

Q.12 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?

Unit- 4: Unpaid Seller

"Unpaid seller" and his rights against goods

Important topics & sections

1. "Unpaid seller" and his rights against goods
2. Rights of an unpaid seller against the buyer
3. Rights of buyer against the seller
4. Auction Sale

Q.1 Describe 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?

Related Question: What are the rights of an unpaid seller against goods under the Sale of Goods Act, 1930?

Related Question: 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?

Related Question: What are the rights of unpaid seller in context to re-sale the goods under Sale of Goods Act, 1930?

Related Question: Explain the provisions of law relating to unpaid seller's 'right of lien' and distinguish it from the "right of stoppage the goods in transit."

AB sold 500 bags of wheat to CD. Each bag contains 50 Kilogramme of wheat AB sent 450 bags by road transport, and CD himself took the remaining 50 bags. Before CD receives delivery of

450 bags sent by road transport, he becomes bankrupt. AB being still unpaid stops the bags in transit. The official receiver, on CD's insolvency, claims the bags. Decide the case with reference to the provisions of the Sale of Goods Act, 1930.

Related Question: AB sold 500 bags of wheat to CD. Each bag contains 50 Kilogramme of wheat AB sent 450 bags by road transport, and CD himself took the remaining 50 bags. Before CD receives delivery of 450 bags sent by road transport, he becomes bankrupt. AB being still unpaid stops the bags in transit. The official receiver, on CD's insolvency, claims the bags. Decide the case with reference to the provisions of the Sale of Goods Act, 1930.

Related Question: J sold a machine to K. K gave a cheque for the payment. The cheque was dishonoured. But 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?

Q.2 Discuss the rights of an unpaid seller against the buyer under The Sales of Goods Act, 1930.

Related Question: Mr. D sold some goods to Mr. E for Rs. 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.

Related Question: Suraj sold his car to Sohan for Rs.75,000. After inspection and satisfaction, Sohan paid Rs.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.

Q.3 What are the rights of buyer against the seller, if the seller commits a breach of contract under the Sale of Goods Act, 1930?

Q.4 Referring to the provisions of the Sale of Goods Act, 1930, state the rules provided to regulate the "Sale by Auction."

Related Question: Rachit arranges an auction to sale an antic wall clock. Megha, being one of the bidders, gives highest bid. For announcing the completion of sale, the auctioneer fall the hammer on table but suddenly hammer brakes and damages the watch. Megha wants to avoid the contract. Can she do so under the provisions of the Sale of Goods Act, 1930?