

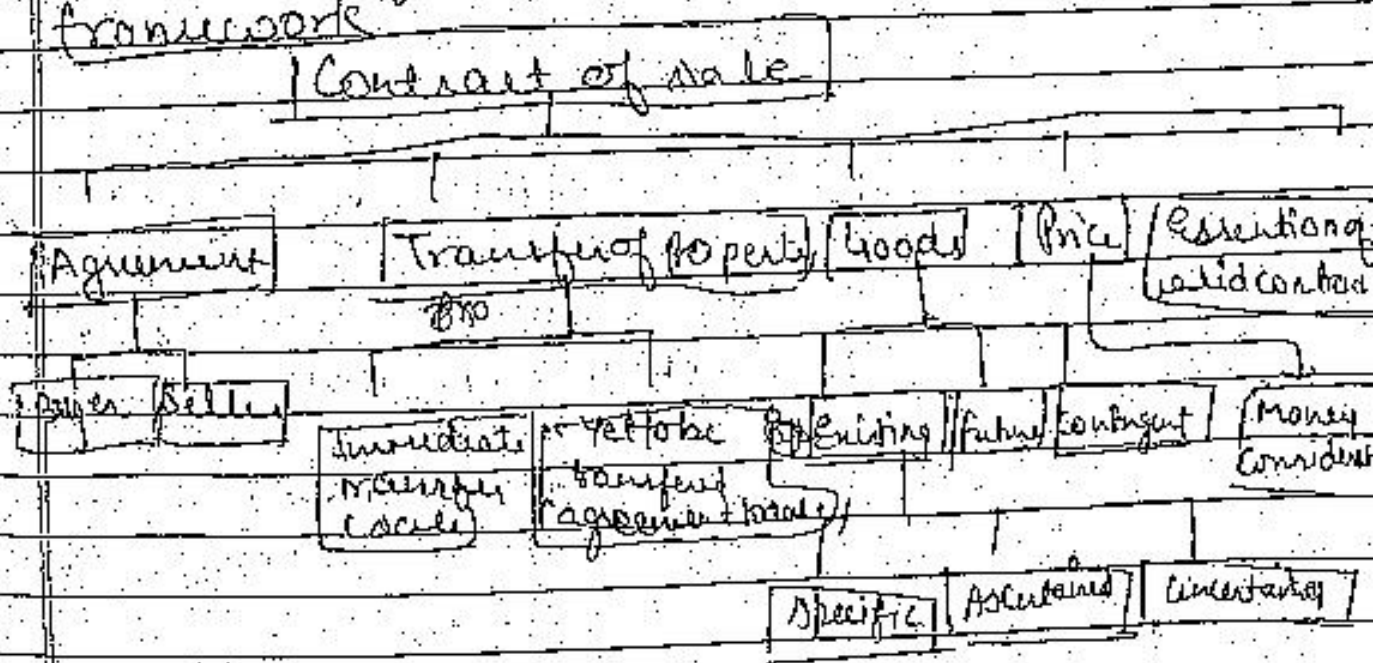
The Sale of Goods Act, 1930 Chap-2

Formation of contract of sale Unit-1

Primer to Sales of Goods Act, 1930

- sales of goods is one of the specific form of contracts recognized and regulated by law in India
- It is an Act to define and amend the laws relating to the sale of the goods
- came into force & on 1 July 1930
- Provisions of act are applicable for Sale on 'movable property' and the act is not applicable for 'immovable property'
- It extends to the whole of India

A) Formation of the contract of sale framework



5) Important Terminologies

(b) Buyer and seller

- (a) A person who buys or agrees to buy
- (b) A person who sell or agrees to sell

2) Goods

- Every kind of movable property other than actionable claims and money in circulation
- also includes stock & shares, growing crops, grass and things attached to or forming part of land which agreed to be severed

3) Classification goods

Goods

Existing goods	Future goods	Contingent goods
Good is in existence at the time of contract	Goods to manufactured or produced or acquired	acquisition by which trust
	by the seller after making the contract of sales	depends upon an uncertain event

Existing Goods

Specific Goods

- Goods are identified or agreed upon the contract of sale.

Ascertained goods

Goods which are identified after the contract of sale is made.

Unascertained

Goods which are not specifically identified.

Or ascertained at time of making of contract.

2) Delivery

- Voluntary transfer of possession
- from one person to another.

3) Types of delivery

Actual delivery

- Goods delivered physically to the buyer.

Constructive

Without any change in custody or actual possession in the goods.

Symbolic

delivery of thing that token of transfer of something else.

4) Document of title of goods

- Proof of possession or control of goods
- for authorizing or purporting to authorize
- either by endorsement or by delivery
- The possessor of the document to transfer or receive

goods ~~are~~ thereby represented.

2) Property

- Ownership of good / General property
- and not merely a special property

3) Price

• Money consideration for sale of goods

- It is the value of goods
- expressed in monetary terms
- Essential requirement to make a contract of sale of goods

1) Sale and agreement to sale

1) Meaning of contract of sale

• Seller transfers or agrees to transfer the property in goods to the buyer for the price

- Contract of sale between one part owner and another
- Contract of sale may be absolute or conditional

2) Mode of Contract of sale of goods

A contract of sale of goods either from through

Sale

- where the property in goods
- is transferred from seller to buyer.

Agreement to sell

- where the transfer of property of goods
- take place at future time
- subject to fulfilment of some condition.

3) Agreement of sale becomes a sale

- when the time elapses or the condition are fulfilled subject to which the property in goods is to be transferred

4) Essential must co-exist

- (i) Two parties: Buyer and seller
- (ii) Consideration: Price in money
- (iii) Nature of contract of sale.
- (iv) Subject matter: Movable goods
- (v) Delivery of goods: Transfer of property of
- (vi) fulfil other essential element of contract of sale.

5) Procedure for conduct of contract of sale

1) Process

- A contract of sale is made by
- An offer of myself
- for a price
- by acceptance of such offer

3) Mode of delivery and payment

The contract may provide

- for the immediate delivery or immediate payment or both
- for the delivery or payment by instalments
- that the delivery or payment or both shall be postponed.

2) Mode for entering into contract of sale

A contract of sale is made in

- writing or
- words of mouth or
- partly in writing and partly by word of mouth or
- implied from the conduct of the parties.

E) Subject matter of contract of sale

1) Good which forms the subject matter of a contract of sale

- Existing goods
- Future goods
- Whereby a contract of sale the seller purports to effect a present sale of future goods, the contract operates as an agreement to sale.

2) Nature of contract of sale of with respect to perishing goods

Perishing goods	Future goods
<p>sale of specific goods</p>	<p>Agreement to sale of specific goods</p>
<p>+ no knowledge to the seller</p>	<p>+ If the future goods are specific and + the destruction of such goods to amount of</p>
<p>+ at the time when the contract is made</p>	<p>+ before any fault of seller or buyer</p>
<p>+ that goods are perished or become so damaged</p>	<p>+ before the risk passes to the buyer</p>
<p>+ Contract is void</p>	<p>+ and subsequently the goods are perishes or become so damaged</p>
	<p>+ agreement can be avoided or becomes void</p>
	<p>superior impossibility + contract becomes void</p>

f) Ascertainment of price

- Fixed by the contract or
- agreed to be fixed in a manner provided by the contract or
- determined by the course of dealing between the parties
- where price is not determined the buyer shall pay the seller a reasonable price.



Q) Agreement to sell at valuation

- when there is an goods on the terms that the price is to be fixed by the valuation of third party
- and such third party can't or doesn't make such valuation
- the agreement is thereby voided
- If the goods or have any part thereof have been delivered to and appropriate by the buyer he shall pay a reasonable price therefore
- where such party is prevented from making the valuation by the fault of the seller or buyer
- the party not in fault may maintain a suit for damages against the party in default