



Arjun Chhabra Tutorial
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CA Foundation Business Laws (60 Marks)			
Marks distribution			
Chapter No	Chapter Name	Marks	Total
1	The Indian Contract Act, 1872		
	Q1. (a) Practical Question	4 Marks	10 Marks
	Q3. (c) Practical Question	3+3 or 6 Marks	
	Q2. (a) Direct Question	7 Marks	12 Marks
	Q6. (a) Direct Question	5 Marks	
	Total marks from The Indian Contract Act, 1872		
2	The Sale of Goods Act, 1930		
	Q5. (a) Practical Question	6 Marks	6 marks
	Q1. (c) Direct Question	4 Marks	10 Marks
	Q4. (a) Direct Question	6 Marks	
	Total marks from The Sale of Goods Act, 1930		
3	The Indian Partnership Act, 1932		
	Q4. (b) Practical Question	6 Marks	6 Marks
	Q3. (a) Direct Question	2	10 Marks
	Q3. (b) Direct Question	4 Marks	
	Q6. (b) Direct Question	4 Marks	
	Total marks from The Indian Partnership Act, 1932		
4	The Limited Liability Partnership Act, 2008		
	Q2. (b) Direct Question	5 Marks	5 Marks
	Total marks from The Limited Liability Partnership Act, 2008		
5	The Companies Act, 2013		
	Q6. (c) Practical Question	3 Marks	7 Marks
	Q1. (b) Practical Question	4 Marks	
	Q5. (b) Direct Question	6 Marks	6 Marks
	Total marks from The Companies Act, 2013		
Grand Total of all 5 Chapters			72
Total Marks of Practical Questions		29	72
Total Marks of Direct Questions		43	
You have to attempt			60
Optional Questions			12

Important links

1. CA Foundation Law marathon Dec 23:
<https://youtube.com/playlist?list=PLaUTqfiLWyKRzRE7eIWwAAzgGm60hnjVK&si=5US0hvEwtFijRvMQ>
2. CA Foundation June 24 Demo lectures:
<https://youtube.com/playlist?list=PLaUTqfiLWyKSEY8AnIXnJinUXHEP4IZ4o&si=XMBrZixwEOunQQME>
3. How to purchase writing practice & bulls eye notes:
<https://youtu.be/UNRm35IEuTo?si=WQtzuriZzrvNxryE>
4. ACT Application link: https://yewkp.on-app.in/app/home?orgCode=yewkp&referrer=utm_source=copy-link&utm_medium=tutor-app-referral
5. ORG Code: YEWKP
6. CA Inter demo lectures:
<https://youtube.com/playlist?list=PLaUTqfiLWyKQHPwOHmU8JkJCq5fhqXP80&si=2zsQT5QkBCoSD7vi>
7. CA Inter batch conclusion celebration vlog:
https://youtu.be/47BxbHL_qc0?si=FpfnhTqVOGxT68KG
8. ACT picnic Vlog: https://youtu.be/l45jh_hHVvY?si=oY2HG2HY1-v-GtRL

Blue print

Chapter 1 - The Indian Contract Act, 1872

Unit – 1 – Basics (Sec 1 to 12)

1. Intention to create legal relationship [Preferably for practical question]
2. Offer & its legal rule [Preferably for direct question]
3. Offer v. Invitation to offer [Preferably for practical question]
4. Acceptance & its legal rules [Preferably for direct question]
5. Communication of offer & Acceptance [Preferably for practical question]
6. Modes of revocation of offer [Preferably for direct question]
7. Difference between void agreement & illegal agreement or void & voidable contract [Preferably for practical & direct question]

Unit – 2 – Consideration - Complete unit is important

Certain hot topics

1. Definition of Consideration & its legal rules
2. No Consideration no contract, exceptions
25 (1)
25 (2)
25 (3)
3. Charity [Expected]
4. Consideration can be inadequate [Explanation to Section 25] [Expected]
5. Covenant running with the land
6. Consideration must be more than performance of existing duties [Expected]

Unit – 3 Other essential elements of valid contract (Sec 13 – 30)

1. Free Consent [Section 15 – 22] [Favourite topic of institute]
 - Difference b/w
 - Direct question
 - Practical question
2. Agreements expressly declared void
 - **Sec.23:** Agreements, the object or consideration of which is unlawful.
 - Trafficking relating to public policy
 - Interference with Course of Justice
 - Agreement to create monopoly
 - **Sec.24:** Agreements, part of the consideration or object of which is unlawful and the unlawful object, cannot be separated from the lawful objects.
 - **Sec.27:** Agreements in restraint of trade & its exceptions.
 - **Sec.28:** Agreements in restraint of legal proceedings.
3. Wager V. Insurance
4. Minority + Fraud

Unit – 4 Performance of Contract (Sec 37 to 67)	
1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Sec 37 Obligation of parties to contracts [For base building] 2. Sec 39 Effect of refusal of party to perform promise wholly 3. Sec 41 Effect of accepting performance from third person 4. Sec 42 Devolution of joint liabilities 5. Sec 43 Any one of joint promisors may be compelled to perform Each promisor may compel contribution Sharing of loss by default in contribution 6. Sec 44 Effect of release of one joint promisor 7. Sec 59 60 61 - Appropriation of payments 8. Section 56 Agreement to do impossible act. Contract to do an act afterwards becoming impossible or unlawful. 9. Sec 65 Obligation of person who has received advantage under void agreement, or contract that becomes void. 10. Contracts which need not be performed / Grounds of discharge of contract 	Rest everything just read & leave

Unit – 5 Breach of Contract (Sec 73 to 75)	
1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Section 73 Compensation for loss or damage caused by breach of contract 2. Section 74 Compensation for breach of contract where penalty stipulated for. Liquidated damages vs Penalty 3. What do you mean by anticipatory breach & remedies in case of anticipatory 4. Minor topics <ul style="list-style-type: none"> - Suit for injunction - Suit for specific performance 	Rest everything just read & leave

Unit – 6 Contingent and Quasi Contracts (Sec 31 to 36) (Sec 68 to 72)
Complete unit is important

Chapter 2 - The Sale of Goods Act, 1930

Unit 1 – Preliminary (Sec 1 to 10)

1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Sec 4 Sale and agreement to sell. 2. Sec 8 Goods perishing before sale but after agreement to sell. 3. Sec 9 Ascertainment of price. 4. Define goods & related terms 5. Hire purchase V sale 6. Delivery & its types (Constructive delivery – Imp) 	Rest everything just read & leave

Unit 2 – Conditions and warranties – Complete unit is important (Sec 11 to 17)

Certain hot topics

<ol style="list-style-type: none"> 1. Sec 13. When condition to be treated as warranty. 2. Sec 15 Sale by description. 3. Sec 16 Implied conditions as to quality or fitness. 4. Sec 17 Sale by sample.

Unit 3 – Transfer of property (Sec 18 to 44)

1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Sec 23. Sale of unascertained goods and appropriation. Delivery to carrier. 2. Sec 24. Goods sent on approval or “on sale or return.” / Sale for cash only or return 3. Sec 26. Risk prima facie passes with property & its exceptions 4. Sec 27. Sale by person not the owner. 5. Sec 29. Sale by person in possession under voidable contract. 6. Sec 30. Seller or buyer in possession after sale. 7. Sec 44. Liability of buyer for neglecting or refusing delivery of goods. 	Rest everything just read & leave

Unit 4 – RIGHTS OF UNPAID SELLER AGAINST THE GOODS (Sec 45 to 64A)

1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Sec 45. “Unpaid seller” defined. 2. Sec 46 Unpaid seller’s rights. 3. Sec 47. Seller’s lien. 4. Sec 49. Termination of lien. 5. Sec 50. Right of stoppage in transit. 	Rest everything just read & leave

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| <ol style="list-style-type: none">6. Sec 54. Right of resale.7. Sec 55. Suit for price.8. Sec 56. Damages for non-acceptance.9. Sec 57. Damages for non-delivery.10. Sec 64. Auction sale. | |
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Chapter – 3 The Indian Partnership Act, 1932

Unit– 1: General Nature of a Partnership

1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Sec 4 Definition of "Partnership" 2. Sec 6 Mode of determining existence of partnership 3. Sec 28 Partner by holding out 4. Mutual Agency 5. Types of partner & partnership 	Rest everything just read & leave

Unit– 2: Relations of Partners

1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Reconstitution of firm <ul style="list-style-type: none"> • Sec 33 Expulsion of a partner • Sec 35 Liability of estate of deceased partner. • Sec 29 Rights of transferee of a partner's interest. 2. Implied authority of partner <ul style="list-style-type: none"> • Sec 19 Implied authority of partner as agent of the firm. • Sec 20 Extension and restriction of partner's implied authority. • Sec 21 Partner's authority in an emergency. 3. Sec 30 Rights & authorities of minor in a partnership firm. 4. Sec 25 -27 Liability to third parties. 5. Sec 36 -37 Rights of outgoing partner. 6. Sec 24 Effect of notice to acting partner. 7. Sec 16 Personal profits earned by partners. 8. Goodwill 9. Sec 38 Revocation of continuing guarantee by change in firm. 10. Sec 48 Mode of settlement of accounts between partners. 	Rest everything just read & leave

Unit 3 - Registration and dissolution of a firm

Dissolution of firm

1 st Category	2 nd Category
<ol style="list-style-type: none"> 1. Sec 69 Effect of Non-Registration 2. Sec 40-44 Modes of dissolution. 3. Difference b/w dissolution of firm & dissolution of partnership 	Rest everything just read & leave

Question 1 (a) The Indian Contract Act, 1872 [Practical Question - 4 Marks]

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.

OR

Ajit sees a book displayed in a shelf of a book shop with a price tag of ₹ 95. Ajit tenders ₹ 95 at the counter and asks for the book. The Bookseller refuses to sell saying that the book has already been sold to someone else and he does not have another copy of that book in the stock. Is the Bookseller bound to sell the book to Ajit?

OR

Rahul goes to super market to buy a washing machine. He selects a branded washing machine having a price tag of Rs.15000 after a discount of Rs. 3000. Rahul reaches at cash counter for making the payment, but cashier says, “Sorry sir, the discount was upto yesterday. There is no discount from today. Hence you have to pay Rs.18000.” Rahul got angry and insists for Rs. 15000. State with reasons whether under Indian Contract Act, 1872, Rahul can enforce the cashier to sale at discounted price i.e., Rs.15000.

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OR

Mr. Aseem is a learned advocate. His car was stolen from his house. He gave an advertisement in newspaper that he will give the reward of Rs. 10,000 who will give the information about his car. Mr. Vikram reads the advertisement and on making some efforts got the stolen car and informed Mr. Aseem. Mr. Aseem found his car but denied giving reward of Rs. 10,000 to Mr. Vikram with the words, “An advertisement in newspaper is just an invitation to make offer and not an offer. Hence, he is not liable to make the reward.” State with reasons whether under Indian Contract Act, 1872, Mr. Vikram can claim the reward of Rs. 10,000.

OR

Mr. Pratham applied for a job as principal of a school. The school management decided to appoint him. One member of the school management committee privately informed Mr. Pratham that he was appointed but official communication was not given from the school. Later, the management of the school decided to appoint someone else as a principal. Mr. Pratham filed a suit against the school for cancellation of his appointment and claimed damages for loss of salary. State with reasons, will Mr. Pratham be successful in suit filed against school under the Indian Contract Act, 1872?

OR

X threatens to kill Y if he (Y) does not sell his house to X for Rs. 1, 00,000. Y agrees. X borrows Rs. 1, 00,000 from Z who is also aware of the purpose of the loan. What is the nature of the agreement between X and Y, and X and Z?

OR

Mr. Y is a devotee and wants to donate an elephant to the temple as a core part of ritual worship. He contacted Mr. X who wanted to sell his elephant. Mr. X contracted with Mr. Y to sell his elephant for Rs. 20 Lakhs. Both were unaware that the elephant was dead a day before the agreement. Referring to the provisions of the Indian Contract Act, 1872, explain whether it is a void, voidable or a valid contract.

OR

Mr. Sohanlal sold 10 acres of his agricultural land to Mr. Mohanlal on 25th September 2018 for Rs. 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, 2018, Mr. Sohanlal died leaving behind his son and life. On 15th October, 2018 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 redressed. Discuss the above in light of provisions of Indian Contract Act, 1872 and decide upon Mr. Chotelal's plan of action?

OR

Anita and Sonali are friends, Sonali treats Anita during Anita's illness. Sonali does not accept payment from Anita for treatment and Anita promises Sonali's daughter Tania to pay her Rs. 75,000. Anita, being in poor circumstances is unable to pay. Tania sues Anita for the money. Can Tania recover? Offer your views based on provisions of the Indian Contracts Act, 1872.

OR

X a businessman has been fighting a long-drawn litigation with Mr. Y an industrialist. To support his legal campaign, he enlists the services of Mr. C a Judicial officer stating that the amount of Rs. 10 lakhs would be paid to him if he does not take up brief of Mr. Y. Mr. C agrees but, at the end of the litigation Mr. X refuses to pay to Mr. C. Decide whether Mr. C can recover the amount promised by Mr. X under the provisions of the Indian Contract Act, 1872?

OR

Mr. S, aged 58 years was employed in a Govt. Department. He was going to retire after two years. Mr. D made a proposal to Mr. S to apply for voluntary retirement from his post so that Mr. D can be appointed in his place. Mr. D offered a sum Rs. 10 Lakhs as consideration to Mr. S in order to induce him to retire.

Mr. S refused at first instance but when he evaluated the amount offered as consideration is just double of his cumulative remuneration to be received during the tenure of two years of employment, he agreed to receive the consideration and accepted the above agreement to receive money to retire from his office.

Whether the above agreement is valid? Explain with reference to provision of Indian Contract Act, 1872.

OR

X and Y were two organizations trading in wheat of 'Popular Brand' in Uttar Pradesh. X realizes that the wheat business is high yielding. To expand his business X offered Y a sum of ₹ 10 Lakhs on the condition that Y shall not sell Popular Brand' wheat in Uttar Pradesh. X failed in making the promised payment to Y. Y filed a suit against

X for non-fulfillment of the promise. Is the suit maintainable?

OR

Mr. Singhania entered into a contract with Mr. Sonu to sing in his hotel for six weeks on every Saturday and Sunday. Mr. Singhania promised to pay Rs. 20,000 for every performance. Mr. Sonu performed for two weeks but on third week his health condition was very bad, so he did not come to sing. Mr. Singhania terminated the contract. State in the light of provisions of the Indian Contract Act, 1872: -

(a) Can Mr. Singhania terminate the contract with Mr. Sonu?

(b) What would be your answer in case Mr. Sonu turns up in fourth week and Mr. Singhania allows him to perform without saying anything?

(c) What would be your answer in case Mr. Sonu sends Mr. Mika on his place in third week and Mr. Singhania allows him to perform without saying anything?

OR

X, Y and Z jointly borrowed Rs. 60,000 from L. Decide in the light of The Indian Contract Act, 1872:

(i) Whether L can compel only Y to pay the entire loan of Rs. 60,000.

(ii) If X, Y and Z died, whether L can compel only the Legal representatives of X to pay the loan of Rs. 60,000.

(iii) If the whole amount was repaid to L by Y. How much Y can recover from X and Z?

(iv) If the whole amount was repaid to L by Y and Z became insolvent and his private assets are sufficient to pay only 1/5 of his share of debts. How much Y can recover from X and Z?

(v) If the whole amount was repaid to L by Y, Z became insolvent and his private assets are sufficient to pay only 1/5 of his share of debts and X died and his son W inherited the assets of Rs. 17000. How much Y can recover from X and Z?

(vi) If L releases X from his liability and sues Y and Z for payment, whether Y and Z are also released from their liability to L and X is released from his liability to Y and Z for contribution.

OR

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 Rs. 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 Rs. 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 Rs. 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.

OR

Mr. JHUTH entered into an agreement with Mr. SUCH to purchase his (Mr. SUCH's) motor car for Rs. 5, 00,000/- within a period of three months. A security amount of Rs. 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 Rs. 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 been destroyed by an accident within the three month's agreement period.

OR

Mr. Murti was travelling to Manali with his wife by bus of Himalya Travels Pvt. Ltd. Due to some technical default in the bus, the driver has to stop the bus in a mid way in cold night. Driver advised the passenger to get the shelter in nearest hotel which was at a distance of only one kilometre from that place. The wife of Mr. Murti caught cold and fell ill due to being asked to get down and she had to walk in cold night to reach hotel. Mr. Murti filed the suit against Himalya Travels Pvt. Ltd. for damages for the personal inconvenience, hotel charges and medical treatment for his wife. Explain, whether Mr. Murti would get compensation for which he filed the suit?

OR

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?

Question 1 (b) The Companies Act, 2013 [Practical Question - 4 Marks]

Jagannath Oils Limited is a public company and having 220 members of which 25 members were employee in the company during the period 1st April, 2006 to 28th June 2016. They were allotted shares in Jagannath Oils Limited first time on 1st July, 2007 which were sold by them 1st August, 2016. After some time, on 1st December, 2016, each of those 25 members acquired shares in Jagannath Oils Limited which they are holding till date. Now company wants to convert itself into a private company. State with reasons:

(I) Whether Jagannath Oils Limited is required to reduce the number of members.

(II) Would your answer be different if above 25 members were the employee in Jagannath Oils Limited for the period from 1st April, 2006 to 28th June, 2017?

OR

ABC Limited was registered as a public company. There were 245 members in the company. Their details are as follows:

Directors and their relatives	190
Employees	15
Ex — employees (shares were allotted when they were employees)	20
Others (Including 10 joint holders holding shares jointly in the name of father and son)	20

The Board of directors of the company propose to convert it into a private company. Advice whether reduction in the number of members is necessary for conversion.

OR

The paid-up capital of Ram Private Limited is Rs.10 Crores in the form of 7,00,000 Equity Shares of Rs.100 each and 3,00,000 Preference Shares of Rs. 100 each. Lakhan Private Limited is holding 3,00,000 Equity Shares and 3,00,000 Preference Shares in Ram Private Limited. State with reason, Whether Ram Private Limited is subsidiary of Lakhan Private Limited?

OR

ABC Limited has allotted shares with voting rights to XYZ Limited worth Rs. 15 Crores and issued Non-Convertible Debentures worth Rs. 40 Crores during the Financial Year 2019-20. After that total Paid-up Equity Share Capital of the company is Rs. 100 Crores and Non-Convertible Debentures stands at Rs. 120 Crores. Define the Meaning of Associate Company and comment on whether ABC Limited and XYZ Limited would be called Associate Company as per provisions of the Companies Act, 2013?

OR

Manicar Limited has allotted equity shares with voting rights to Nanicar Limited worth Rs. 10 Crores and issued Non-Convertible Debentures worth Rs.30 Crores during the Financial Year 2017-18. After that total Paid-up Equity Share Capital of the company is Rs.100 Crores and Non-Convertible Debentures stands at Rs.150 Crores.

Define the Meaning of Associate Company and comment on whether Manicar Limited and Nanicar Limited would be called Associate Company as per the provisions of the Companies Act, 2013?

OR

The objects clause of the Memorandum of Association of the XYZ (Pvt.) Ltd., New Delhi, authorized to do trading in mangoes. The company, however, entered into partnership with Mr. A and traded in mangoes and incurred liabilities to Mr. A. The Company, subsequently, refused to admit the liability to 'A' on the ground of 'ultra vires' the Company'.

Advice whether stand of the company is legally valid and if so, gives reasons in support of your answer.

OR

Articles of Association of XYZ Private Limited provides that Board of Directors can take the loan upto Rs. 50,00,000 for company by passing the Board Resolution. In the case where the loan amount is in excess of the said limit, Special Resolution is required to be passed in general meeting. Due to urgent need of funds, Board of Directors applied for loan in a reputed bank for Rs. 60,00,000 without passing the Special Resolution in the general meeting. Board of Directors gave an undertaking to bank that Special Resolution has been passed for such loan. The bank on believing on such undertaking lend the money. On demanding the repayment of loan, company denied the payment as the act was ultra vires to company. Advise.

OR

Mr. R, a manufacturer of toys approached MNO Private Limited for supply of raw material worth Rs. 1,50,000/-. Mr. R was offered a credit period of one month. Mr. R went to the company prior to the due date and met Mr. C, an employee at the billing counter, who convinced the former that the payment can be made to him as the billing -cashier is on leave.

Mr. R paid the money and was issued a signed and sealed receipt by Mr. C. After the lapse of due date, Mr. R received a recovery notice from the company for the payment of Rs. 1,50,000/-.

Mr. R informed the company that he has already paid the above amount and being an outsider had genuine reasons to trust Mr. C who claimed to be an employee and had issued him a receipt. The Company filed a suit against Mr. R for non-payment of dues. Discuss the fate of the suit and the liability of Mr. R towards company as on current date in consonance with the provision of the Companies Act 2013? Would your answer be different if a receipt under the company seal was not issued by Mr. C after receiving payment?

Question 1 (c) The Sale of Goods Act, 1930 [Direct Question - 4 Marks]

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

OR

Differentiate between Ascertained and Unascertained Goods with example.

OR

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

OR

What are 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.

OR

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.

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OR

Discuss the various types of implied warranties as per the Sales of Goods Act, 1930?

OR

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

OR

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

OR

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

OR

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?

OR

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

Question 2 (a) The Indian Contract Act, 1872 [Direct Question - 7 Marks]

Explain the modes of revocation of an offer as per the Indian Contract Act, 1872.

OR

Define the term Acceptance. Discuss the legal provisions relating to communication of Acceptance.

OR

Define consideration. What are the legal rules regarding consideration under the Indian Contract Act, 1872?

OR

State the exceptions to the rule "An agreement without consideration is void".

OR

No Consideration No Contract, Comment.

OR

Define Misrepresentation and Fraud. Explain the difference between Fraud and Misrepresentation as per the Indian Contract Act, 1872.

OR

Enumerate the persons by whom a contract may be performed under the provisions of the Indian Contract Act, 1872.

OR

Explain any five circumstances under which contracts need not be performed with the consent of both parties.

OR

Grounds to Discharge Contract.

OR

“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.

OR

What is Contingent Contract? Discuss the essentials of Contingent Contract as per the Indian Contract Act, 1872.

OR

Explain the meaning of ‘Contingent Contracts’ and state the rules relating to such contracts.

Question 2 (b) The Limited Liability Partnership Act, 2008 [Direct Question - 5 Marks]

What is Small Limited Liability Partnership as per Limited Liability Partnership (Amendment) Act, 2021?

OR

What is the procedure for changing the name of Limited Liability Partnership (LLP) under the LLP Act, 2008?

OR

State the circumstances under which a LLP and its partners may face unlimited liability under the Limited Liability Partnership Act, 2008.

Question 3 (a) The Indian Partnership Act, 1930 [Direct Question - 2 Marks]

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

- (i) Partnership at will
- (ii) Particular partnership

OR

What do you mean by 'Partnership for a fixed period' as per the Indian Partnership Act, 1932?

OR

Who is a nominal partner under the Indian Partnership Act, 1932? What are his liabilities?

OR

Comment on 'the right to expel partner must be exercised in good faith' under the Indian Partnership Act, 1932.

OR

Discuss the provisions regarding personal profits earned by a partner under the Indian Partnership Act, 1932?

OR

What is the provision related to the effect of notice to an acting partner of the firm as per the Indian Partnership Act, 1932?

OR

When the continuing guarantee can be revoked under the Indian Partnership Act, 1932?

OR

What do you mean by Goodwill as per the provisions of Indian Partnership Act, 1932?

OR

"Dissolution of a firm is different from dissolution of Partnership". Discuss.

Question 3 (b) The Indian Partnership Act, 1930 [Direct Question - 4 Marks]

"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?

OR

"Sharing in the profits is not conclusive evidence in the creation of partnership". Comment.

OR

What is the conclusive evidence of partnership? State the circumstances when partnership is not considered between two or more parties.

OR

"Business carried on by all or any of them acting for all." Discuss the statement under the Indian Partnership Act, 1932.

OR

With reference to the provisions of Indian partnership Act, 1932 explain the various effects of insolvency of a partner.

OR

Discuss the liability of a partner for the act of the firm and liability of firm for act of a partner to third parties as per Indian Partnership Act, 1932.

OR

Explain in detail the circumstances which lead to liability of firm for misapplication by partners as per provisions of the Indian Partnership Act, 1932.

OR

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.

OR

What is the difference between partnership and co-ownership as per the Indian Partnership Act, 1932?

OR

What are the rights of partners with respect to conduct of the business of a firm as prescribed under the Indian Partnership Act, 1932?

OR

State any four grounds on which Court may dissolve a partnership firm in case any partner files a suit for the same.

OR

When does dissolution of a partnership firm take place under the provisions of the Indian Partnership Act, 1932? Explain.

OR

"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?

OR

What are the consequences of Non-Registration of a Partnership Firm? Discuss.

Question 3 (c) The Indian Contract Act, 1872 [Practical Question - 6 Marks]

Mr. B makes a proposal to Mr. S by post to sell his house for Rs. 10 lakhs and posted the letter on 10th April 2020 and the letter reaches to Mr. S on 12th April 2020. He reads the letter on 13th April 2020.

Mr. S sends his letter of acceptance on 16th April 2020 and the letter reaches Mr. B on 20th April 2020. On 17th April Mr. S changed his mind and sends a telegram withdrawing his acceptance. Telegram reaches to Mr. B on 19th April 2020'

Examine with reference to the Indian Contract Act, 1872:

(i) On which date, the offer made by Mr. B will complete?

(ii) Discuss the validity of acceptance.

(iii) What would be validity of acceptance if letter of revocation and letter of acceptance reached together?

OR

Srishti, a minor, falsely representing her age, enters into an agreement with an authorised Laptop dealer Mr. Gupta, owner of SP Laptops, for purchase of Laptop on credit amounting Rs. 60,000/- for purchasing a laptop, on 1st August 2021. She promised to pay back the outstanding amount

with interest @ 16% p.a. by 31st July 2022. She told him that in case she won't be able to pay the outstanding amount, her father Mr. Ram will pay back on her behalf. After One year, when Srishti was asked to pay the outstanding amount with interest she refused to pay the amount and told the owner that she is minor and now he can't recover a single penny from her. She will be adult on 1st January 2024, only after that agreement can be ratified. Explain by which of the following way Mr. Gupta will succeed in recovering the outstanding amount with reference to the Indian Contract Act, 1872.

- (i) By filing a case against Srishti, a minor for recovery of outstanding amount with interest?
- (ii) By filing a case against Mr. Ram, father of Srishti for recovery of outstanding amount?
- (iii) By filing a case against Srishti, a minor for recovery of outstanding amount after she attains maturity?

OR

Mr. SAMANT owned a motor car. He approached Mr. CHHOTU and offered to sale his motor car for Rs. 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 Rs. 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.

OR

Rohan is running a grocery store in Delhi. He sells his grocery business, including goodwill worth Rs. 1,00,000 to Rohit for a sum of Rs. 5,00,000. After the sale of goodwill, Rohit made an agreement with Rohan. As per this agreement, Rohan is not to open another grocery store (similar kind of business) in the whole of India for next ten years. However, Rohan opens another store in the same city two months later. What are the rights available with Rohit regarding the restriction imposed on Rohan with reference to Indian Contract Act, 1872?

OR

Mr. Murari owes payment of 3 bills to Mr. Girdhari as on 31st March, 2020. (i) Rs. 12,120 which was due in May 2016. (ii) Rs. 5,650 which was due in August 2018 (iii) Rs. 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 Rs. 9,680
- (ii) A cheque of Rs. 15000

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

OR

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 Rs. 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?

OR

M Ltd., contract with Shanti Traders to make and deliver certain machinery to them by 30.6.2017 for Rs. 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 Rs. 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.

OR

'X' entered into a contract with 'Y' to supply him 1,000 water bottles @ Rs. 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 @ Rs. 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 Rs. 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.

OR

Seema was running a boutique in New Delhi. She has to deliver some cloth to her friend Kiran who was putting up an exhibition at Mumbai. Seema delivered the sewing machine and some

cloth to a railway company to be delivered at a place where the exhibition was to be held. Seema expected to earn an exceptional profit from the sales made at this exhibition however she did not bring this fact to the notice of the railway's authorities. The goods were delivered at the place after the conclusion of the exhibition. On account of such breach of contract by railways authorities, can Seema recover the loss of profits under the Indian Contract Act, 1872?

OR

"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 the statement by differentiating between liquidated damages and penalty with reference to provisions of the Indian Contract Act, 1872.

OR

Mr. Y aged 21 years, lost his mental balance after the death of his parents in an accident. He was left with his grandmother aged 85 years, incapable of walking and dependent upon him. Mr. M, their neighbour, out of pity, started supplying food and other necessities to both of them. Mr. Y and his grandmother used to live in the house built by his parents. Mr. M also provided grandmother some financial assistance for her emergency medical treatment. After supplying necessities to Mr. Y for four years, Mr. M approached the former asking him to payback Rs.15 Lakhs inclusive of Rs. 7 Lakhs incurred for the medical treatment of the lady (grandmother). Mr. Y pleaded that he has got his parent's jewellery to sell to a maximum value of Rs. 4 Lakhs, which may be adjusted against the dues. Mr. M refused and threatened Mr. Y of legal suit to be brought against for recovering the money.

Now, you are to decide upon based on the provisions of the Indian Contract Act, 1872:

- (i) Will Mr. M succeed in filing the suit to recover money? Elaborate the related provisions?
- (ii) What is the maximum amount- of money that can be recovered by Mr. M?
- (iii) Shall the provisions of the above act also apply to the medical treatment given to the grandmother?

OR

Mr. Ramesh promised to pay Rs. 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.

OR

A shop-keeper displayed a pair of dress in the show-room and a price tag of Rs. 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 it. Ms. Lovely seeks your advice whether she can sue the shop-keeper for the above cause under the Indian Contract Act, 1872.

OR

Examine the validity of the following contracts as per the Indian Contract Act, 1872, giving reasons.

X, aged 16 years, borrowed a loan of 50,000 for his personal purposes. A few months later, he had become major and could not pay back the amount borrowed on the due date. The lender wants to file a suit against X.

OR

Examine the validity of the following contracts as per the Indian Contract Act, 1872, giving reasons.

J contracts to take in cargo for K at a foreign port. J's government afterwards declared war against the country in which the port is situated, and therefore the contract could not be fulfilled. K wants to file a suit against J.

Question 4 (a) The Sale of Goods Act, 1872 [Direct Question - 6 Marks]

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

OR

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

OR

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.

OR

"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.

OR

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?

OR

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

OR

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?

OR

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

OR

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.”

OR

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

OR

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.

OR

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

Question 4 (b) The Indian Partnership Act, 1932 [Direct Question - 6 Marks]

State whether the following are a partnership:

1. A and B jointly own a car which they used personally on Sundays and holidays and let it on hire as a taxi on other days and equally divide the earnings.
2. Two firms, each having 12 partners, combine by an agreement into one firm.
3. A and B, co-owners, agree to conduct the business in common for profit.
4. Some individuals form an association to which each individual contributes RS. 500 annually. The objective of the association is to produce clothes and distribute the clothes free to the war widows.
5. A and B, co-owners share between themselves the rent derived from a piece of land.
6. A and B buy commodity X and agree to sell the commodity with sharing the profits equally.

OR

X, Y and Z are partners in a Partnership Firm. They were carrying their business successfully for the past several years. Due to expansion of business, they planned to hire another partner Mr A. Now the firm has 4 partners X, Y, Z and A. The business was continuing at normal pace. In one of formal business meeting, it was observed that Mr. Y misbehaved with Mrs. A (wife of Mr. A). Mr. Y was badly drunk and also spoke rudely with Mrs. A.

Mrs. A felt very embarrassed and told her husband Mr. A about the entire incident. Mr. A got angry on the incident and started arguing and fighting with Mr. Y in the meeting place itself. Next day, in the office Mr. A convinced X and Z that they should expel Y from their partnership firm. Y was expelled from partnership without any notice from X, A 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?

OR

M, N and P were partners in a firm. The firm ordered JR Limited to supply the furniture. P dies, and M and N continues the business in the firm's name. The firm did not give any notice about P's death to the public or the persons dealing with the firm. The furniture was delivered to the firm after P's death. fact about his death was known to them at the time of delivery. Afterwards the firm became insolvent and failed to pay the price of furniture to JR Limited.

Explain with reasons:

(i) Whether P's private estate is liable for the price of furniture purchased by the firm?

(ii) Whether does it make any difference if JR Limited supplied the furniture to the firm believing that all the three partners are alive?

OR

M/s ABC Associates is a partnership firm since 1990. Mr. A, Mr. B and Mr. C were partners in the firm since beginning. Mr. A, being a very senior partner of aged 78 years transfers his share in the firm to his son Mr. Prateek, a Chartered Accountant. Mr. B and Mr. C were not interested that Mr. Prateek join them as partner in M/s ABC Associates. After some time, Mr. Prateek felt that the books of accounts were displaying only a small amount as profit despite a huge turnover. He wanted to inspect the book of accounts of the firm arguing that it is his entitlement as a transferee. However, the other partners believed that he cannot challenge the books of accounts. Can Mr. Prateek, be introduced as a partner if his father wants to get a retirement? As an advisor, help them resolve the issues applying the necessary provisions from the Indian Partnership Act, 1932.

OR

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?

OR

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?

OR

"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. [Nov 18, 4 Marks]
- (II) A. State the liabilities of a minor partner both:
 - (i) Before attaining majority and
 - (ii) After attaining majority. [Nov 18, 2 Marks] [MTP March 19, 6 Marks]

OR

B. 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, 2 Marks]

OR

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?

OR

P.Q.R. and S are the partners in M/S PQRS & Co., a partnership firm which deals in trading of Washing Machines of various brands.

Due to the conflict of views between partners, P & Q decided to leave the partnership firm and started competitive business on 31st July, 2019, in the name of M/S PQ & Co. Meanwhile, R & S have continued using the property in the name of M/S PQRS & Co. in which P & Q also has a share.

Based on the above facts, explain in detail the rights of outgoing partners as per the Indian Partnership Act, 1932 and comment on the following:

- (i) Rights of P & Q to start a competitive business.
- (ii) Rights of P & Q regarding their share in property of M/S PQRS & Co.

OR

P & Co. is registered as a partnership firm in 2018 with A, B and P as partners dealing in sale and purchase of motor vehicles. In April 2019, A dies. Now only B and P continue the firm and same business with same firm name P & Co.

In the month of December 2019, firm felt the need of expansion of business and sharing the burden of expenditure and investment. They thought of hiring a new partner with a mutual consent with each other. Hence in December 2019, the firm took a new partner S in the firm P & Co.

The firm has supplied large amount of material to one of the clients Mr. X for business purposes. In spite of regular reminders, X failed to pay the debts due to the firm.

In January 2020, firm filed a case against X in the name and behalf of P & Co. without fresh registration. With reference to Indian Partnership Act, 1932, discuss if the suit filed by the firm is maintainable?

OR

M/s XYZ & Company is a partnership firm. The firm is an unregistered firm. The firm has purchased some iron rods from another partnership firm M/s LMN & Company which is also an unregistered firm. M/s XYZ & Company could not pay the price within the time as decided. M/s

LMN & Company has filed the suit against M/s XYZ & Company for recovery of price. State under the provisions of the Indian Partnership Act, 1932;

(a) Whether M/s LMN & Company can file the suit against M/s XYZ & Company?

(b) What would be your answer, in case M/s XYZ & Company is a registered firm while M/s LMN & Company is an unregistered firm?

(c) What would be your answer, in case M/s XYZ & Company is an unregistered firm while M/s LMN & Company is a registered firm?

Question 5 (a) The Sale of Goods Act, 1930 [Practical Question - 6 Marks]

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?

OR

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.

OR

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?

OR

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 return 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?

OR

Mr. K visited M/s Makrana Marbles for the purchase of marble and tiles for his newly built house. He asked the owner of the above shop Mr. J, to visit his house prior to supply so that he can clearly ascertain the correct mix and measurements of marble and tiles. Mr. J agreed and visited the house on the next day. He inspected the rooms in the first floor and the car parking space. Mr. K insisted him to visit the second floor as well because the construction pattern was different, Mr. J ignored the above suggestion.

OR

Mr. J. supplied 146 blocks of marble as per the size for the rooms and 16 boxes of tiles with a word of caution that the tiles can bear only a reasonable weight. Marble and Tiles were successfully laid except on second floor due to different sizes of the marble. The tiles fitted in the parking space also got damaged due to the weight of the vehicle came for unloading cement bags. Mr. K asked Mr. J for the replacement of marble and tiles to which Mr. J refused,

taking the plea that the marble were as per the measurement and it was unsafe to fit tiles at the parking area as it cannot take heavy load. Discuss in the light of provisions of Sale of Goods Act 1930:

- (i) Can Mr. J refuse to replace the marble with reference to the doctrine of Caveat Emptor? Enlist the duties of both Mr. K. and Mr. J.
- (ii) Whether the replacement of damaged tiles be imposed on M/ s Makrana Marbles? Explain.

OR

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?

OR

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?

OR

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?

OR

Ms. R owns a Two-Wheeler which she handed over to her friend Ms. K on sale or return basis. Even after a week Ms. K neither returned the vehicle nor made payment for it. She instead pledged the vehicle to Mr. A to obtain a loan. Ms. R now wants to claim the Two-wheeler from Mr. A. Will she succeed?

(i) Examine with reference to the provisions of the Sale of Goods Act, 1930, what recourse is available to Ms. R?

(ii) Would your answer be different if it had been expressly provided that the vehicle would remain the property of Ms. R until the price has been paid?

OR

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?

OR

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?

OR

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?

Question 5 (b) The Companies Act, 2013 [Direct Question - 6 Marks]

Explain the classification of the companies on the basis of control as per The Companies Act, 2013?

OR

Explain the meaning of Guarantee Company? State the similarities and dissimilarities between a 'Guarantee Company' and 'Company Limited by Shares.'

OR

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?

OR

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.

OR

State whether a non-profit organization be registered as a company under the Companies Act, 2013? If so, what procedure does it have to adopt?

OR

What are the significant points of Section 8 Company which are not applicable for other companies? Briefly explain with reference to provisions of the Companies Act, 2013.

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What do you mean by the term capital? Describe its classification in the domain of Company Law.

OR

"The Memorandum of Association is a charter of a company". Discuss. Also explain in brief the contents of Memorandum of Association.

OR

Briefly explain the doctrine of "ultra vires" under the Companies Act, 2013. What are the consequences of ultra vires acts of the company?

OR

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'

OR

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.