

Sampurna June 2024

Practice Test Series - 01

Business Laws

1. Total Marks - 50
 2. Time Allowed – 1.5 Hours
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All Question are Compulsory

1. All contracts are agreements, but all agreements are not contracts”. Comment. (5 Marks)
2. A sends an offer to B to sell his second-car for Rs. 1,40,000 with a condition that if B does not reply within a week, he (A) shall treat the offer as accepted. Is A correct in his proposition? (3 Marks)
3. Explain the type of contracts in the following agreements under the Indian Contract Act, 1872:
 - (i) A coolie in uniform picks up the luggage of A to be carried out of the railway station without being asked by A and A allows him to do so.
 - (ii) Obligation of finder of lost goods to return them to the true owner.
 - (iii) A contracts with B (owner of the factory) for the supply of 10 tons of sugar, but before the supply is effected, the fire caught in the factory and everything was destroyed.(6 Marks)
4. Define the term acceptance under the Indian Contract Act, 1872. Explain the legal rules regarding a valid acceptance (7 Marks)
5. Explain the type of contracts in the following agreements under the Indian Contract Act, 1872:
 - (i) X promise to sell his scooter to Y for Rs. 1 Lac. However, the consent of X has been procured by Y at a gun point.
 - (ii) A bought goods from B in 2015. But no payment was made till 2019.
 - (iii) G agrees to give tuitions to H, a pre-engineering student, from the next month and Hin consideration promises to pay G Rs. 5,000 per month.(3 Marks)
6. 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? (6 Marks)
7. Mr. Balwant, an old man, by a registered deed of gift, granted certain landed property to Ms. Reema, his daughter. By the terms of the deed, it was stipulated that an annuity of Rs. 20, 000 should be paid every year to Mr. Sawant, who was the brother of Mr. Balwant. On the same day Ms. Reema made a promise to Mr. Sawant and executed in his favour an agreement to give effect to the stipulation. Ms. Reema failed to pay the stipulated sum. In an action against her by Mr. Sawant, she contended that since Mr. Sawant had not furnished any consideration, he has no right of action. Examining the provisions of the Indian Contract Act, 1872, decide, whether the contention of Ms. Reema is valid? (6 Marks)
8. A stranger to a contract cannot sue, however in some cases even a stranger to contract may enforce a claim. Explain. Or
“Only a person who is party to a contract can sue on it”. Explain this statement and describe its exceptions, if any. (7 Marks)

9. Define consideration the characteristics of a valid consideration.

(4 Marks)

10. “To form a valid contract, consideration must be adequate”. Comment.

(3 Marks)

