

TOP 130 QUESTIONS AND ANSWERS

CA FOUNDATION LAW

NOTE: As its most probable questions which are repeated in past years exam and most of them are expected questions kindly consider this question list as audit check so that you can understand this kind of questions will come in exam after all your revision your concept clarity and your hard work will be a key.

TOPIC: COMPANY LAW

Q1) A organization which is registered under companies Act, 1956 with the objective of making furniture with the authorized share capital of worth rupees 200 crore out of which rupees 120 crore paid up.

It has two persons who subscribe its MEMORANDUM of ASSOCIATION for 1 Cr and 3 Cr at the time of registration under companies Act, 1956.

Later on another member raju who holds the share worth rupees 55 Cr was earned a huge income from this organization in the form of interest and dividend So, he opened some companies and purchased their shares in exchange of his income by way of dividend and interest. This income was transferred back to assessee by way of loan. All calls was meet by holders.

And balancing paid up capital is hold by :

a) Central Government-	(2/3 OF Balancing paid up capital)
b) UP government-	2.4 CRORE
c) Bihar government-	4 CRORE
d) Delhi government-	7 CRORE
e) Local authority-	7 CRORE

Since it incorporation it work well, due to huge amount of surplus earned by the company in just 2 yr the Director X wants to diversify the business and Enter into the business of toy manufacturing.

After the 5 years of incorporation of this organization under companies Act, 1956 it was observed that company is incorporated by giving false information and the director Y of the company make held liable for this fraud to the CA who work in the professional capacity.

- Is companies Act, 2013 applicable on this organization?
- IF it is company, then On the basis of members it is ?
- IF it is company, then On the basis of liability it is ?
- Examine the validity of the act done by Mr Raju as per companies Act, 2013?
- Is this organization is government company? State answer with reason
- Examine the Act done by Director X as Per companies Act, 2013
- Is the intention of Director Y is valid or not?
- IN Which table it is required to file its MOA?
- IN Which form it is required to file its AOA ?

Q2) Explain all the features of a company?

Q3) 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 on 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:

- a) Whether Jagannath Oils Limited is required to reduce the number of members.
- b) 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?
- c) Can it invitation to the public to subscribe for any securities? After re-computation
- d) Explain section 8 company? Whether section 8 is applicable on Jagannath oils or not?

Q4) Define Doctrine of Constructive Notice and Explain clearly the Turquand Rule 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'.

Q5) EXPLAIN the following:

- a) Explain the Effect of Registration?
- b) Explain PFI?
- c) Explain the consequence of to be faced by section 8 company in case of breach of law. Also states the Penalty/punishment in contravention.
- d) Explain HOLDING COMPANY And foreign company?
- e) Who is nominee? Whether is the eligibility criteria to become nominee? Can a person become nominee in two company?

TOPIC: PARTNERSHIP

Q1) "Business carried on by all or any of them acting for all." Discuss the statement under the Indian Partnership Act, 1932.

Q2) Explain the following kinds of partnership under the Indian Partnership Act, 1932:

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

Q3) Ms. Lucy while drafting partnership deed taken care of few important points. What are those points? Also, give list of information to be included in partnership deed?

Q4) What is the conclusive evidence of partnership? State the circumstances when partnership is not considered between two or more parties

Q5) State whether the following are partnerships:

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

Q6) P, Q and R are partners in a firm. As per terms of the partnership deed, P is entitled to 20 percent of the partnership property and profits. P retires from the firm and dies after 15 days. Q and R continue business of the firm without settling accounts. Explain the rights of A's legal representatives against the firm under the Indian Partnership Act, 1932?

Q7) Mohan, Sohan and Rohan are partners in the firm M/s Mosoro & Company. They admitted Bohan as nominal partner and on agreement between all the partners, Bohan is not entitled to share profit in the firm. After some time, a creditor Karan filed a suit to Bohan for recovery of his debt. Bohan denied for same as he is just a nominal partner and he is not liable for the debts of the firm and Karan should claim his dues from the other partners. Taking into account the provisions of the Indian Partnership Act, 1932

(a) Whether Bohan is liable for the dues of Karan against the firm.

(b) In case, Karan has filed the suit against firm, whether Bohan would be liable?

Q8) When the continuing guarantee can be revoked under the Indian Partnership Act, 1932?

Q9) What do you mean by Goodwill as per the provisions of Indian Partnership Act, 1932?

Q10) With reference to the provisions of Indian partnership Act, 1932 explain the various effects of insolvency of a partner

Q11) Explain in detail the circumstances which lead to liability of firm for misapplication by partners as per provisions of the Indian Partnership Act, 1932.

Q12) 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

Q13) "Partner indeed virtually embraces the character of both a principal and an agent". Describe the said statement keeping in view of the provisions of the Indian Partnership Act, 1932

Q14) State the modes by which a partner may transfer his interest in the firm in favour of another person under the Indian Partnership Act, 1932. What are the rights of such a transferee?

Q15) Whether a minor may be admitted in the business of a partnership firm? Explain the rights of a minor in the partnership firm

Q16) What do you mean by "implied authority" of the partners in a firm? Point out the extent of partner's implied authority in case of emergency, referring to the provisions of the Indian Partnership Act, 1932

Q17)) M/s XYZ & Associates, a partnership firm with X, Y, Z as senior partners were engaged in the business of carpet manufacturing and exporting to foreign countries. On 25th August, 2016, they inducted Mr. G, an expert in the field of carpet manufacturing as their partner. On 10th January 2018, Mr. G was blamed for unauthorized activities and thus expelled from the partnership by united approval of rest of the partners.

I) Examine whether action by the partners was justified or not?

II) What should have the factors to be kept in mind prior expelling a partner from the firm by other partners according to the provisions of the Indian Partnership Act

Q18) 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.

Q19) 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?

Q20) Moni and Tony were partners in the firm M/s MOTO & Company. They admitted Sony as partner in the firm and he is actively engaged in day-to-day activities of the firm. There is a tradition in the firm that all active partners will get a monthly remuneration of ` 20,000 but no express agreement was there. After admission of Sony in the firm, Moni and Tony were continuing getting salary from the firm but no salary was given to Sony from the firm. Sony claimed his remuneration but denied by existing partners by saying that there was no express agreement for that. Whether under the Indian Partnership Act, 1932, Sony can claim remuneration from the firm?

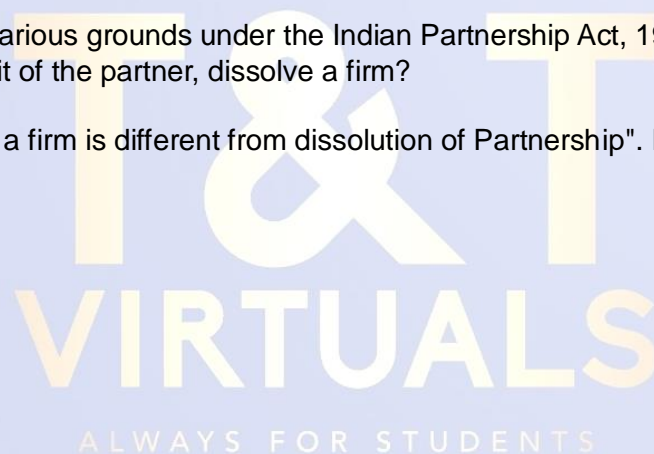
Q21) Subject to agreement by partners, state the rules that should be observed by the partners in settling the accounts of the firm after dissolution under the provisions of the Indian Partnership Act, 1932.

Q22) "Indian Partnership Act does not make the registration of firms compulsory nor does it impose any penalty for non-registration." In light of the given statement, discuss the consequences of non-registration of the partnership firms In India?

Q23) What is the procedure of registration of a partnership firm under the Indian Partnership Act, 1932

Q24) What are the various grounds under the Indian Partnership Act, 1932, on which the Court may, at the suit of the partner, dissolve a firm?

Q25) "Dissolution of a firm is different from dissolution of Partnership". Discuss.



TOPIC: LLP

Q1) LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership". Explain

Q2) State the circumstances under which LLP may be wound up by the Tribunal under the Limited Liability Partnership Act, 2008.

Q3) State the circumstances under which a LLP and its partners may face unlimited liability under the Limited Liability Partnership Act, 2008.

Q4) Difference between firm and LLP?

Q5) State the rules regarding registered office of a Limited Liability Partnership (LLP) and change therein as per provisions of the Limited Liability Partnership Act, 2008

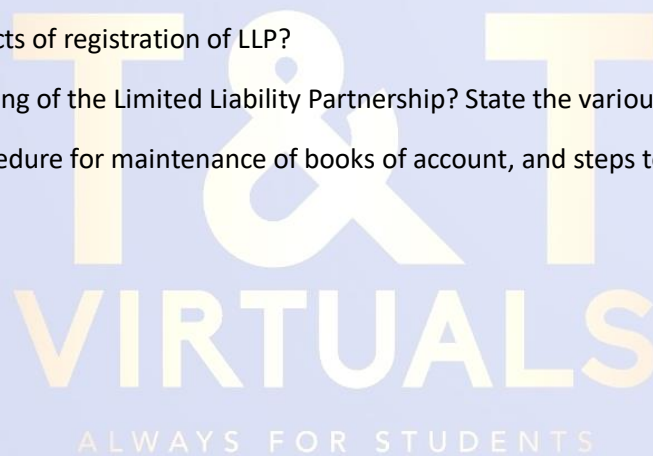
Q6) What do you mean by Designated Partner? Whether it is mandatory to appoint Designated partner in a LLP?

Q7) : Who are the individuals which shall not be capable of becoming a partner of a Limited Liability Partnership?

Q8) What are the effects of registration of LLP?

Q9) What is the meaning of the Limited Liability Partnership? State the various characteristics of it?

Q10) What is the procedure for maintenance of books of account, and steps to register a LLP?



TOPIC: Sales of goods Act, 1930

Q1) Distinguish between 'Sale' and 'Hire Purchase' under the Sale of Goods Act, 1930.

Q2) Classify the following transactions according to the types of goods they are:

- I. A wholesaler of cotton has 100 bales in his godown. He agrees to sell 50 bales and these bales were selected and set aside.
- II. A agrees to sell to B one packet of salt out of the lot of one hundred packets lying in his shop.
- III. T agrees to sell to S all the oranges which will be produced in his garden this year.

Q3) State briefly the essential element of a contract of sale under the Sale of Goods Act, 1930.

Q4) 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.

Q5) Archika went to a jewellery shop and asked the shopkeeper to show the gold bangles with white polish. The shopkeeper informed that he has gold bangles with lots of designs but not in white polish rather if Archika select gold bangles in his shop, he will arrange white polish on those gold bangles without any extra cost. Archika select a set of designer bangles and pay for that. The shopkeeper requested Archika to come after two days for delivery of those bangles so that white polish can be done on those bangles. When Archika comes after two days to take delivery of bangles, she noticed that due to white polishing, the design of bangles has been disturbed. Now, she wants to avoid the contract and asked the shopkeeper to give her money back but shopkeeper has denied for the same.

- A) State with reasons whether Archika can recover the amount under the Sale of Goods Act, 1930.
- B) What would be your answer if shopkeeper says that he can repair those bangles but he will charge extra cost for same?

Q6) 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.

Q7) Explain the term "Delivery and its forms" under the Sale of Goods Act, 1930.

Q8) Explain the term goods and other related terms under the Sale of Goods Act, 193

Q9) 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

Q10) 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?

Q11) Mrs. Geeta went to the local rice and wheat wholesale shop and asked for 100 kgs of Basmati rice. The Shopkeeper quoted the price of the same as ` 125 per kg to which she agreed. Mrs. Geeta insisted that she would like to see the sample of what will be provided to her by the shopkeeper before she agreed upon such purchase. The shopkeeper showed her a bowl of rice as sample. The sample exactly corresponded to the entire lot. The buyer examined the sample casually without noticing the fact that even though the sample was that of Basmati Rice but it contained a mix of long and short grains. The cook on opening the bags complained that the dish if prepared with the rice would not taste the same as the quality of rice was not as per requirement of the dish. Now Mrs. Geeta wants to file a suit of fraud against the seller alleging him of selling mix of good and cheap quality rice. Will she be successful?

Explain the basic law on sale by sample under Sale of Goods Act 1930?

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

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

Q12) Difference between conditions and warranties.

Q13) 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?

Q14) What are the implied conditions in a contract of 'Sale by sample' under the Sale of Goods Act, 1930? What is an Implied Warranty and state the various types of Implied Warranties.

Q15) 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 Sale of Goods Act, 1930 whether TK can reject the timber.

Q16) A breach of condition can be treated as a breach of warranty". Explain this statement as per relevant provisions of the Sale of Goods Act, 1930

Q17) 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?

Q18) 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?

Q19) Explain the “condition as to Merchantability” and “condition as to wholesomeness” under the Sale of Goods Act, 1930.

Q20) 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?

Q21) A non-owner can convey better title to the bonafide purchaser of goods for value.” Discuss the cases when a person other than the owner can transfer title in goods as per the provisions of the Sales of Goods Act, 1930?

Q22) State the various essential elements involved in the sale of unascertained goods and its appropriation as per the Sale of Goods Act, 1930.

Q23) 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.

Q24) 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?

Q25) J the owner of a Fiat car wants to sell his car. For this purpose, he hands over the car to P, a mercantile agent for sale at a price not less than ` 50, 000. The agent sells the car for ` 40, 000 to A, who buys the car in good faith and without notice of any fraud. P misappropriated the money also. J sues A to recover the Car. Decide given reasons whether J would succeed.

Q26) What are the rules related to Acceptance of Delivery of Goods?

Q27) Mr. S agreed to purchase 100 bales of cotton from V, out of his large stock and sent his men to take delivery of the goods. They could pack only 60 bales. Later on, there was an accidental fire and the entire stock was destroyed including 60 bales that were already packed. Referring to the provisions of the Sale of Goods Act, 1930 explain as to who will bear the loss and to what extent?

Q28) Classify the following transactions according to the types of goods they are:

- a) A wholesaler of cotton has 100 bales in his godown. He agrees to sell 50 bales and these bales were selected and set aside.
- b) A agrees to sell to B one packet of sugar out of the lot of one hundred packets lying in his shop.
- c) T agrees to sell to S all the apples which will be produced in his garden this year.

Q29) 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?

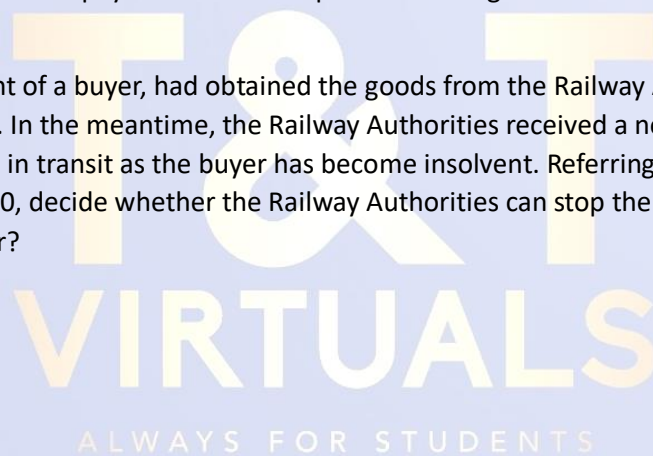
Q30) What are the rights of an unpaid seller against goods under the Sale of Goods Act, 1930?

Q31) What are the rules which regulate the Sale by Auction under the Sale of Goods Act, 1930?

Q32) What are the rights of buyer against the seller, if the seller commits a breach of contract under the Sale of Goods Act, 1930?

Q33) : 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.

Q34) A, who is an agent of a buyer, had obtained the goods from the Railway Authorities and loaded the goods on his truck. In the meantime, the Railway Authorities received a notice from B, the seller for stopping the goods in transit as the buyer has become insolvent. Referring to the provisions of Sale of Goods Act, 1930, decide whether the Railway Authorities can stop the goods in transit as instructed by the seller?



TOPIC: Indian Regulatory framework

Q1) Difference b/w criminal law and civil law?

Q2) Explain Nemo judex in causa sua , and audi alteram partem?

Q3) Discribe about Insolvency and Bankruptcy Board of India (IBBI)

Q4) what is District court and metropolitan court?

TOPIC: Indian Contract Act, 1872

Q1) Define the term acceptance under the Indian Contract Act, 1872. Explain the legal rules regarding a valid acceptance.

Q2) Mr. B makes a proposal to Mr. S by post to sell his house for ` 10 lakhs and posted the letter on 10th April 2024 and the letter reaches to Mr. S on 12th April 2024. He reads the letter on 13th April 2024 Mr. S sends his letter of acceptance on 16th April 2024 and the letter reaches Mr. B on 20th April 2024. On 17th April Mr. S changed his mind and sends a telegram withdrawing his acceptance. Telegram reaches to Mr. B on 19th April 2024.

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?

Q3) Define an offer. Explain the essentials of a valid offer. How an offer is different from an invitation to offer?

Q4) Define the term "Acceptance". Discuss the legal provisions relating to communication of acceptance.

Q5) 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.
- IV. X promise to sell his scooter to Y for ` 1 Lac. However, the consent of X has been procured by Y at a gun point.
- V. A bought goods from B in 2015. But no payment was made till 2019.
- VI. G agrees to give tuitions to H, a pre-engineering student, from the next month and H in consideration promises to pay G ` 5,000 per month.

Q6) 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?

Q7) . Mr. Balwant, an old man, by a registered deed of gift, granted certain landed property to Ms. Reema, his daughter. By the terms of the deed, it was stipulated that an annuity of ` 20, 000 should be paid every year to Mr. Sawant, who was the brother of Mr. Balwant. On the same day Ms. Reema made a promise to Mr. Sawant and executed in his favour an agreement to give effect to the stipulation. Ms. Reema failed to pay the stipulated sum. In an action against her by Mr. Sawant, she contended that since Mr. Sawant had not furnished any consideration, he has no right of action.

Examining the provisions of the Indian Contract Act, 1872, decide, whether the contention of Ms. Reema is valid?

Q8) Comment on the following statements:

- a) Acceptance must be absolute and unqualified.
- b) Acceptance must be in the prescribed mode.

Q9) 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 ` 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 ` 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 ` 10,000.

OR

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

Q10) State the various modes of revocation of offer under the Indian Contract Act, 1872.

Q11) All contracts are agreements, but all agreements are not contracts". Comment.

Q12) Mr. Sohanlal sold 10 acres of his agricultural land to Mr. Mohanlal on 25th September 2018 for ` 25 Lakhs. The Property papers mentioned a condition, amongst other details, that whosoever purchases the land is free to use 9 acres as per his choice but the remaining 1 acre has to be allowed to be used by Mr. Chotelal, son of the seller for carrying out farming or other activity of his choice. On 12th October, 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?

Q13) Define consideration. What are the legal rules regarding consideration under the Indian Contract Act, 1872?

Q14) The general rule is that an agreement without consideration is void. Discuss the cases where the agreement though made without consideration will be valid and enforceable as per Indian Contract Act, 1872.

Q15) "Only a person who is party to a contract can sue on it". Explain this statement and describe its exceptions, if any.

Q16) Mr. Ram Lal Birla was a big businessman of city Pune having two sons and one married daughter. He decided to gift his one house to his daughter. For this purpose, he called his lawyer at his house and made a written document for such gift. The lawyer advised him to get the transfer document properly registered. When they both were going for registration of document, they met with an accident and both of them died. Later, his daughter found the document and claimed the house on the basis of that document. Explain, whether she can get the house as gift under the Indian Contract Act, 1872?

Q17) Mere silence is not fraud" but there are some circumstances where the "silence is fraud". Explain the circumstances as per the provision of Indian Contract Act, 1872?

Q18) Discuss the essentials of Undue Influence as per the Indian Contract Act, 1872

Q19) Explain the term 'Coercion' and what are the effects of coercion under Indian Contract Act, 1872.

Q20) Define Misrepresentation and Fraud. Explain the difference between Fraud and Misrepresentation as per the Indian Contract Act, 1872.

Q21) Enumerate the differences between 'Wagering Agreements' and 'Contract of Insurance' with reference to provision of the Indian Contract Act, 1872.

Q22) Examine the validity of the following contracts as per the Indian Contract Act, 1872 giving reasons.

- a) X aged 16 years borrowed a loan of ` 50,000 for his personal purposes. Few months later he had become major and could not pay back the amount borrowed, on due date. The lender wants to file a suit against X.
- b) J contracts to take in cargo for K at a foreign port. J's government afterwards declares 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.

Q23) 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 ` 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? (6 Marks)

Q24) Mr. SHYAM owned a motor car. He approached Mr. VIKAS and offered to sell his motor car for ` 3,00,000. Mr. SHYAM told Mr. VIKAS 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. VIKAS agreed with the proposal of Mr. SHYAM and took delivery of the car by paying ` 3,00,000/- to Mr. SHYAM. After 10 days, Mr. VIKAS came back with the car and stated that the claim made by Mr. SHYAM 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. VIKAS can rescind the contract in the above ground.

Q25) What is a wagering agreement? Describe the transactions which resembles with wagering transactions but are not void.

Q26) Explain the concept of 'misrepresentation' in matters of contract. Sohan induced Suraj to buy his motorcycle saying that it was in a very good condition. After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% cost of repairs After a few days, the motorcycle did not work at all. Now Suraj wants to rescind the contract. Decide giving reasons whether Suraj can rescind the contract?

Q27) Point out with reason whether the following agreements are valid or void:

- a) Kamala promises Ramesh to lend ` 500,000 in lieu of consideration that Ramesh gets Kamala's marriage dissolved and he himself marries her.
- b) Sohan agrees with Mohan to sell his black horse. Unknown to both the parties, the horse was dead at the time of agreement.
- c) Ram sells the goodwill of his shop to Shyam for ` 4,00,000 and promises not to carry on such business forever and anywhere in India.
- d) In an agreement between Prakash and Girish, there is a condition that they will not institute legal proceedings against each other without consent.
- e) Ramamurthy, who is a citizen of India, enters into an agreement with an alien friend. Validity of agreements
- f) Vijay agrees with Saini to sell his black horse for ` 3,00,000. Unknown to both the Parties, the horse was dead at the time of the agreement
- g) Serves sells the goodwill of his shop to Vikas for ` 10,00,000 and promises not to carry on such business forever and anywhere in India.
- h) Mr. X agrees to write a book with a publisher. After few days, X dies in an accident.
- i) Riya promises Samarth to lend Rs. 500,000 in lieu of consideration that Samarth gets Riya's marriage dissolved and he himself marries her.
- j) Aryan agrees with Mathew to sell his black horse. Unknown to both the parties, the horse was dead at the time of agreement.
- k) Ravi sells the goodwill of his shop to Shyam for Rs. 4,00,000 and promises not to carry on such business forever and anywhere in India.
- l) In an agreement between Prakash and Girish, there is a condition that they will not institute legal proceedings against each other without consent.

Q28) X' agreed to become an assistant for 2 years to 'Y' who was practicing Chartered Accountant at Jodhpur. It was also agreed that during the term of agreement 'X' will not practice as a Chartered Accountant on his own account within 20 kms of the office of 'Y' at Jodhpur. At the end of one year,

'X' left the assistantship of 'Y' and started practice on his own account within the said area of 20 kms Referring to the provisions of the Indian Contract Act, 1872, decide whether 'X' could be restrained from doing so?

Q29) Mr. Rich aspired to get a self-portrait made by an artist. He went to the workshop of Mr. C an artist and asked whether he could sketch the former's portrait on oil painting canvass. Mr. C agreed to the offer and asked for ` 50,000 as full advance payment for the above creative work. Mr. C clarified that the painting shall be completed in 10 sittings and shall take 3 months.

On reaching to the workshop for the 6th sitting, Mr. Rich was informed that Mr. C became paralyzed and would not be able to paint for near future. Mr. C had a son Mr. K who was still pursuing his studies and had not taken up his father's profession yet?

Discuss in light of the Indian Contract Act, 1872?

- I. Can Mr. Rich ask Mr. K to complete the artistic work in lieu of his father?
- II. Could Mr. Rich ask Mr. K for refund of money paid in advance to his father?

Q30) Mr. Sonumal a wealthy individual provided a loan of ` 80,000 to Mr. Datumal on 26.02.2019. The borrower Mr. Datumal asked for a further loan of ` 1,50,000. Mr. Sonumal agreed but provided the loan in parts at different dates. He provided ` 1,00,000 on 28.02.2019 and remaining ` 50,000 on 03.03.2019. On 10.03.2019 Mr. Datumal while paying off part ` 75,000 to Mr. Sonumal insisted that the lender should adjusted ` 50,000 towards the loan taken on 03.03.2019 and balance as against the loan on 26.02.2019. Mr. Sonumal objected to this arrangement and asked the borrower to adjust in the order of date of borrowal of funds.

Now you decide:

- I. Whether the contention of Mr. Datumal correct or otherwise as per the provisions of the Indian Contract Act, 1872?
- II. What would be the answer in case the borrower does not insist on such order of adjustment of repayment?
- III. What would the mode of adjustment/appropriation of such part payment in case neither Mr. Sonumal nor Mr. Datumal insist any order of adjustment on their part?

Q31) A, B, C and D are the four partners in a firm. They jointly promised to pay ` 6,00,000 to F. B and C have become insolvent. B was unable to pay any amount and C could pay only ` 50,000. A is compelled to pay the whole amount to F. Decide the extent to which A can recover the amount from D with reference to the provisions of the Indian Contract Act, 1872.

Q32) Explain any five circumstances under which contracts need not be performed with the consent of both the parties.

Q33) "The basic rule is that the promisor must perform exactly what he has promised to perform." Explain stating the obligation of parties to contracts.

Q34) What will be rights with the promisor in following cases? Explain with reasons:

- a) Mr. X promised to bring back Mr. Y to life again.
- b) A agreed to sell 50 kgs of apple to B. The loaded truck left for delivery on 15 th March but due to riots in between reached B on 19th March.
- c) An artist promised to paint on the fixed date for a fixed amount of remuneration but met with an accident and lost his both hands.

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

Q35) A received certain goods from B promising to pay ` 1,00,000. Later on, A expressed his inability to make payment. C, who is known to A, pays ` 60,000 to B on behalf of A. However, A was not aware of the payment. Now B is intending to sue A for the amount of ` 1,00,000. Discuss whether the contention of B is right?

Q36) Mr. Singhanian entered into a contract with Mr. Sonu to sing in his hotel for six weeks on every Saturday and Sunday. Mr. Singhanian promised to pay ` 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. Singhanian terminated the contract. State in the light of provisions of the Indian Contract Act, 1872:

- a) Can Mr. Singhanian terminate the contract with Mr. Sonu?
- b) What would be your answer in case Mr. Sonu turns up in fourth week and Mr. Singhanian 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. Singhanian allows him to perform without saying anything?

Q37) When a party to a contract has refused to perform, or disabled himself from performing his promise in its entirety, the promisee may put an end to the contract". Explain.

Q38) Mr. X and Mr. Y entered into a contract on 1st August, 2020, 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, 2020 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, 2020 for which Mr. Y did not agree. On 1st September, 2020, 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.

Q39) Mr. Murari owes payment of 3 bills to Mr. Girdhari as on 31st March, 2020. (i) ` 12,120 which was due in May 2016. (ii) ` 5,650 which was due in August 2018 (iii) ` 9,680 which was due in May 2019. Mr. Murari made payment on 1st April 2020 as below without any notice of how to appropriate them

- a) A cheque of ` 9,680
- b) A cheque of ` 15,000

Advice under the provisions of the Indian Contract Act, 1872. (6 Marks)

Q40) A & B entered into a contract to supply unique item, alternate of which is not available in the market. A refused to supply the agreed unique item to B. What directions could be given by the court for breach of such contract?

Q42) 2. "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

Q43) What is the law relating to determination of compensation, on breach of contract, contained in section 73 of the Indian Contract Act, 1872?

Q44) X entered into a contract with 'Y' to supply him 1,000 water bottles @ ` 5.00 per water bottle, to be delivered at a specified time. Thereafter, 'X' contracts with 'Z' for the purchase of 1,000 water bottles @ ` 4.50 per water bottle, and at the same time told 'Z' that he did s/MTP o for the purpose of performing his contract entered into with 'Y'. 'Z' failed to perform his contract in due course and market price of each water bottle on that day was ` 5.25 per water bottle. Consequently, 'X' could not procure any water bottle and 'Y' rescinded the contract. Calculate the amount of damages which 'X' could claim from 'Z' in the circumstances? What would be your answer if 'Z' had not informed about the 'Y's contract? Explain with reference to the provisions of the Indian Contract Act, 1872.

Q45) What do you mean by Quantum Meruit and state the cases where the claim for Quantum Meruit arises?

Q46) Give the circumstances as to when "Vindictive or Exemplary Damages" may be awarded for breach of a contract. Vindictive or Exemplary damages

Q47) "An anticipatory breach of contract is a breach of contract occurring before the time fixed for performance has arrived". Explain and also discuss the effect of anticipatory breach on contracts.

Q48) 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?

Q50) Explain the meaning of 'Quasi-Contracts'. State the circumstances which are identified as quasi contracts by the Indian Contract Act, 1872.

Q51) Explain the meaning of 'Contingent Contracts' and state the rules relating to such contracts.

Q52) X, a minor was studying in M.Com. in a college. On 1st July, 2019 he took a loan of ` 1,00,000 from B for payment of his college fees and to purchase books and agreed to repay by 31st December, 2019. X possesses assets worth ` 9 lakhs. On due date, X fails to pay back the loan to B. B now wants to recover the loan from X out of his (X's) assets. Referring to the provisions of Indian Contract Act, 1872 decide whether B would succeed.

NOTE: Newly added units of Indian Contract Act and newly added Negotiable instruments Act are wholly important.

ALL THE BEST.

The logo features the text 'T&T VIRTUALS' in a bold, sans-serif font. The 'T's are a light yellow color, while the ampersand and the word 'VIRTUALS' are white. The text is centered within a light blue rounded rectangle.

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