

PREVIOUS YEAR QUESTIONS (Nature of contract & Offer & Acceptance)

State with reasons whether the following statement is True or False:

1. A proposal may be revoked by the proposer before the posting of the letter of acceptance by the acceptor. **Nov-1994 (2 marks)**
2. If an offer is made in the form of a promise in return for an act, the performance of that act even without any communication thereof, is to be treated as an acceptance of the offer. **May-1995 (2 marks)**
3. Acceptance can be made even without the knowledge of the offer. **Nov-1995 (2 marks)**
4. An agreement with intention to create legal liability is not enforceable in law. **May -1996 (2 marks)**
5. If the offeree does not accept the offer according to the mode prescribed by the offeror, the offer does not lapse automatically. **May -1997 (2 marks)**
6. All kinds of obligations created between the parties form part of the contracts. **May -1998 (2 marks)**
7. Communication of an offer is complete when the letter is posted though it has not reached the person to whom the offer is made. **Nov -1998 (2 marks)**
8. Where the mode of acceptance is prescribed in the proposal, it need not be accepted in that manner. **May -1999 (2 marks)**
9. A proposal when accepted becomes a contract. **Nov -1999 (2 marks)**
10. Every agreement is necessarily regarded a contract. **May -2000 (2 marks)**
11. The proposal should always be communicated to the person to whom it is made. **May -2001 (2 marks)**
12. An agreement which is enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others, is void. **Nov -2001 (2 marks)**
13. Communication of acceptance of an offer is complete as against the acceptor the moment it comes to the knowledge of the offeror. **May -2002 (2 marks)**
14. Offer may be revoked after the letter of acceptance is posted by acceptor. **Nov -2002 (2 marks)**
15. Executed and executory contracts. **May -1999 (2 marks)**
16. Offer and invitation to offer. **Nov -1999 (2 marks)**
17. General offer and Specific offer. **Nov -1995 (5 marks)**
18. Void and Voidable Contract. **Nov -1996 (5 marks)**
19. Void agreement and an Illegal agreement. **May -1997 (2 marks)**
20. Wagering agreements and contingent contracts. **Nov -2000 (5 marks)**

PREVIOUS YEAR QUESTIONS

State with reasons whether the following statement is True or False:

1. A stranger to the consideration can enforce the contract. **Nov - 1995 (2 marks)**

2. Inadequacy of the consideration cannot be taken into account by the court in determining whether the consent was given freely. **May - 1996 (2 marks)**

3. Consideration in a contract of sale of goods can also be paid partly in money and partly in goods. **May - 1997 (2 marks)**

4. Consideration may move even from a person who is not a party to the contract. **Nov - 1998 (2 marks)**

5. A promise to take either rice or smuggled opium for a consideration of ? 1,000 is wholly void. **May - 1999 (2 marks)**

6. Consideration may be present or future but not past. **May - 2000 (2 marks)**

7. Consideration for sale of goods must be in terms of Money. **Nov - 2000 (2 marks)**

8. Consideration may be present or future, but not past. **Nov - 2002 (2 marks)**

PREVIOUS YEAR QUESTION

State with reasons whether the following statement is True or False:

1. Rule of estoppel cannot be exercised by a minor. Nov - 1994 (2 marks)
2. Social agreements are enforceable in the Courts. May - 1995 (2 marks)
3. A stranger to the contract cannot enforce the contract. May - 1995 (2 marks)
4. An agreement, the meaning of which is not certain or capable of being made certain is not void. Nov - 1996 (2 marks)
5. Commercial impossibility does not make the contract void. Nov - 1996 (2 marks)
6. A person who is usually of unsound mind cannot enter into a contract even when he is of sound mind. May - 1997 (2 marks)
7. According to the doctrine of "Privity of Contract", a stranger to a contract, if he is beneficiary, cannot enforce the contract. Nov - 1997 (2 marks)
8. Transactions incidental to wagering agreements are not void. Nov - 1997 (2 marks)
9. A contract to take a loan by a boy of sixteen years of age from a moneylender of 50 years old, is a valid contract. May - 1998 (2 marks)
10. A person who is usually of sound mind, but occasionally of unsound mind is unable to make the contract. May - 1999 (2 marks)
11. It is a mixed question of law and fact whether time was essence of the contract. Nov - 1999 (2 marks)
12. A minor cannot be appointed as an agent, as he is not competent to contract. May - 2000 (2 marks)
13. A contract can be avoided if consent is caused by fraud. May - 2000 (2 marks)
14. Social agreements are enforceable in the Courts of India. Nov - 2000 (2 marks)
15. A threat to commit suicide does not amount to Coercion. Nov - 2000 (2 marks)
16. Intentional misrepresentation is 'fraud'. Nov - 2000 (2 marks)
17. A minor can neither undertake a liability nor receive a benefit under a contract. Nov - 2001 (2 marks)
18. In order to constitute a valid contract, consideration between two parties must be adequate. May - 2002 (2 marks)
19. A threat to lodge criminal prosecution on a false charge amounts to coercion. May - 2002 (2 marks)

PREVIOUS YEAR QUESTION

State with reasons whether the following statement is True or False:

1. A stranger to the contract can enforce the contract. **Nov - 1994 (2 marks)**
2. Performance of the contract may be made only by the parties to the contract. **Nov - 1995 (2 marks)**
3. A promise under a contract can be performed only by the promisor himself. **May - 1996 (2 marks)**
4. When the promisee does not accept the offer of performance, the promisor is not responsible for non-performance. **Nov - 1996 (2 marks)**
5. Payments made by a debtor are always appropriated in a chronological order. **May - 1997 (2 marks)**
6. In discharge of the whole claim a party to the contract agrees to accept a lesser amount than due, from the other party is a valid contract inspite of inadequate consideration. **May - 1998 (2 marks)**
7. If the promisees are joint, the right to claim performance is joint and not joint and several. **Nov - 1998 (2 marks)**
8. A promise to pay a time barred debt is not enforceable. **Nov - 1999 (2 marks)**
9. Reciprocal promises to do certain things legal and other illegal, make such promises void. **May - 2001 (2 marks)**
10. The original contract between the parties must be performed even when the parties agree to substitute it with a new contract. **Nov - 2001 (2 marks)**

PREVIOUS YEAR QUESTION

Part 01

1. Breach of condition gives rise to a right to repudiate the contract of sale. (T/F)

May - 2000 (2 marks)
2. Liquidated damages.

May - 1996 (5 marks)
3. Anticipatory breach of contract.

Nov - 1998 (5 marks)
4. Vindictive and Nominal damages

May - 2002 (5 marks)
5. Remedies available to an aggrieved party on the breach of contract.

Nov - 2002 (5 marks)

PREVIOUS YEAR QUESTIONS

Part 01

State with reasons whether the following statement is True or False:

1. In Quasi contracts, the promise to pay is always an implication of law and not of facts.
Nov - 1997 (2 marks)
2. A 'Contract of indemnity' is not a 'Contingent contract'.
May - 2002 (2 marks)

Part 02

Write short notes on the following:

1. Contingent Contract.
Nov - 1995 (5 marks)

PREVIOUS YEAR QUESTIONS

State with reasons whether the following statement is Correct or Incorrect:

1. If a seller does not disclose the dangerous nature of the goods to be sold to the buyer he breaches the contract. **Nov-1998 (2 marks)**
2. Where the buyer elects to treat the breach of condition as one of warranty, he may repudiate the contract. **May-1999 (2 marks)**

Short Notes

Write short notes on the following:

3. Rule of 'caveat emptor'. **Nov-1996 (5 marks)**
4. Distinguish between Condition and Warranty. **May-1998 (5 marks)**
5. A warranty is a stipulation collateral to the main purpose of the contract. **Nov-1995 (5 marks)**
6. What are the implied conditions in case of sale by sample? **Nov-1995 (5 marks)**
7. State the law relating to sale by description. **May-1996 (5 marks)**
8. Explain the following (Give brief answer):
When a condition in a contract of sale may be treated as a warranty? **May-2000 (5 marks)**
9. A contract of sale is not avoided even on account of breach of a condition. **Nov-2000 (5 marks)**
10. What are the implied conditions in a Sale by Sample? **Nov-2001 (5 marks)**
11. When shall a condition be treated as a warranty? **May-2002 (5 marks)**
12. Discuss the various types of implied warranties as per the Sales of Goods Act 1930? **June-2019 (4 marks)**

Practical Question

1. 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?

June-2019 (6 marks)

State with reasons whether the following statement is Correct or Incorrect:

1. The rights and liabilities arising in a contract of sale may be varied or avoided by binding usage. **Nov-1995 (2 marks)**
1. In a sale, the property of the goods is transferred from seller to the buyer in case of generic goods. **Nov-1994 (2 marks)**
2. When goods are delivered at a distant place, the liability for deterioration necessarily incidental to the course of transit will fall on the seller. **May-1996 (2 marks)**
3. In a contract for the sale of unascertained goods, no property in the goods is transferred unless and until the goods are ascertained. **May-1996 (2 marks)**
4. A railway receipt is not a document of title. **Nov-1996 (2 marks)**
5. The seller of the goods is bound to deliver the goods whether the buyer has applied for delivery or not. **May-2001 (2 marks)**
6. In a Sale on Approval, the property in goods passes to the buyer on the delivery of the goods. **Nov-2001 (2 marks)**

Short Notes

Write short note of the following:

1. Documents of Title to Goods. **Nov-1994 (5 marks)**
2. Symbolic delivery. **May-1995 (5 marks)**
3. Kinds of Delivery of Goods. **Nov-1997 (5 marks)**

Descriptive Questions

1. When may a non-owner of goods validly transfer the title of goods to another person, under the Sale of Goods Act? **May-1995 (10 marks)**
2. Describe the rules relating to passing of property in the sale of goods. **Nov-1995 (10 marks)**
3. What are the rules regarding delivery of goods? **May-1996 (10 marks)**
4. Explain the law relating to passing of risk in case of the sale of goods. **Nov-1996 (5 marks)**
5. Delivery of the goods and payment of the price are concurrent conditions. **Nov-1997 (5 marks)**
6. When the property in the goods passes to the buyer in case of the delivery of the goods to the buyer on approval basis? **Nov-1998 (5 marks)**
7. Risk prima facie passes with the property in the goods. **May-1999 (5 marks)**
8. When the ownership in the goods may be transferred by a person who is not having title over it? **May-1999 (5 marks)**
9. What are the exceptions to the doctrine of "Nemo dat quad non-habet" (one cannot give better title than what he has). **Nov-1999 (10 marks)**
10. When the property in specific or ascertained goods passes to the buyer? **May-2000 (10 marks)**

11. State the rules of the Sale of Goods Act, relating to the delivery of goods:
 - (i) when it is given in instalments.
 - (ii) when it is in excess of Contracted quantity.

Nov-2000 (10 marks)
12. Risk prima facie passes with the property.

May-2001 (5 marks)
13. State the rules as to passing of the property, when goods are delivered on approval in a Contract of Sale.

May-2001 (10 marks)
14. Risk in the goods sold passes with the delivery of goods to the buyer.

Nov-2001 (5 marks)
15. Transfer of property when goods are sold on approval.

May-2002 (5 marks)
16. "Nemo dat quad non habeat" i.e. one cannot sell what he does not possess. Discuss this statement and state the exceptions to' this doctrine.

May-2002 (10 marks)
17. Explain of the following (Give brief answers):
Meaning of Constructive Delivery

May-2002 (5 marks)
18. What is meant by Constructive Delivery?

Nov-2002 (5 marks)
19. What is appropriation of goods under the Sale of Goods Act, 1930? State the essentials regarding appropriation of unascertained goods.

May-2018 (6 marks)
20. "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 Sales of Goods Act 1930?

June-2019 (6 marks)

Practical Question

1. Mr. D sold some goods to Mr. E for ₹ 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.

May-2018 (6 marks)
2. 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?

Nov-2018 (6 marks)

PREVIOUS YEAR QUESTIONS

State with reasons whether the following statement is True or False:

1. A money lender getting a share in the profits of the firm for the sum lent is a partner in the firm. Nov - 1994 (2 marks)
2. Sharing of profits of a business is conclusive evidence of partnership. May - 1995 (2 marks)
3. A partner, whether active or dormant, is entitled to have access to any of the books of the firm and take out a copy thereof. May - 1996 (2 marks)
4. Sharing of profits is conclusive evidence of partnership. May - 1997 (2 marks)
5. Where two persons jointly run a coach and share the profits derived from running such business constitute partnership business? Nov - 1998 (2 marks)
6. The test of existence of partnership is the element of 'sharing of profits' rather than 'mutual agency'. Nov - 1999 (2 marks)
7. Where two persons jointly run a coach and shares the profits derived from running such business constitute partnership business? Nov - 2002 (2 marks)

Write short note on:

1. Sub-partnership. Nov - 1994 (4 marks)
2. Partnership at will. May - 1995 (4 marks)
3. Doctrine of "Holding Out". Nov - 1995 (4 marks)
4. Sub-partnership. May - 1996 (4 marks)
5. Particular partnership. Nov - 1996 (5 marks)
6. Partnership at will. May - 1998 (5 marks)
7. Actual partner and sub-partner. May - 1999 (5 marks)
8. Partnership at Will. May - 2001 (5 marks)
9. Partner by estoppel. Nov - 2001 (5 marks)

PREVIOUS YEAR QUESTIONS

State with reasons whether the following statement is Correct or Incorrect:

1. A person can be admitted to a partnership firm with the consent of majority of partners only.
Nov-1994 (2 marks)
2. Implied authority of partner does not include entering into partnership on behalf of the firm.
May-1995 (2 marks)
3. A major and a minor can create a partnership.
Nov-1995 (2 marks)
4. A partner in a firm has right to receive interest on advances given by him to the firm @ 12% per annum.
May-1996 (2 marks)
5. The invalid expulsion of a partner does not give him a right to claim damages.
Nov-1996 (2 marks)
6. A partnership contract providing that no partner shall carry on any business other than that of the firm while he is a partner.
Nov-1996 (2 marks)
7. A partner is not entitled to claim remuneration.
May-1997 (2 marks)
8. A new partner may be introduced in the firm even by any existing partner of the firm.
Nov-1997 (2 marks)
9. The implied authority of a partner empowers him to acquire immovable property on behalf of the firm.
Nov-1997 (2 marks)
10. A transferee of a partner's interest in a firm accepts a loan on behalf of the firm, for which the other partner was authorised to do so, invest it in the non-partnership business, without the consent of all the partners. The transferee is empowered to accept the loan.
May-1998 (2 marks)
11. A partner who has purchased the goodwill of the firm on the dissolution of partnership firm has right to make use of the firm's name for earning profits.
May-1999 (2 marks)
12. All partners are not joint- owners of the property of the firm, unless otherwise provided in the agreement.
May-1999 (2 marks)
13. A partner may acquire immovable property on behalf of the firm, in the exercise of his implied authority.
May-2000 (2 marks)

14. A partner is not an agent of other partners in a partnership firm. **Nov-2000 (2 marks)**
15. A minor can be a partner in a partnership firm. **Nov-2000 (2 marks)**
16. The transferee of a partner's interest is entitled to inspect the books of the firm during the continuance of the firm. **May-2001 (2 marks)**
17. Goodwill of the firm cannot be regarded as an asset of the firm. **May-2001 (2 marks)**
18. In a partnership firm where a partner is entitled to get interest on the capital subscribed by him, such interest can be paid to him out of capital of the firm. **Nov-2001 (2 marks)**
19. A partner carrying on a business, which is similar in nature and competing with that of the firm is bound to pay to the firm, all the profits earned by him, even when there is no such agreement amongst the partners. **Nov-2001 (2 marks)**
20. A partner making advance of money to the firm, beyond the amount of his agreed capital is entitled to interest on such advanced money. **May-2002 (2 marks)**
21. Liability of an incoming partner. **May-1997 (5 marks)**
22. Right to remuneration of a partner **Nov-1998 (5 marks)**
23. When is the firm liable for the acts of a partner. **Nov-1995 (5 marks)**
24. What constitutes Partnership property or Property of the firm? **Nov-2001 (5 marks)**
25. What is the provision related to the effect of notice to an acting partner of the firm as per Indian Partnership Act 1932? **June-2019 (2 marks)**
26. Discuss the provisions regarding personal profits earned by a partner under the Indian Partnership Act 1932? **June-2019 (2 marks)**

PRACTICAL QUESTIONS

27. X, Y and Z are partners in a Partnership Firm. They were carrying their business successfully for the past several years. Spouses of X and Y fought in ladies club on their personal issue and X's wife was hurt badly. X got angry on the incident and he convinced Z to expel Y from their Partnership firm. Y was expelled from partnership without any notice from X 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? **May-2018 (6 marks)**

28. Mr. A, Mr. B and Mr. C were partners in a partnership firm M/s ABC & Co., which is engaged in the business of trading of branded furniture. The name of the partners was clearly written along with the firm name in front of the head office of the firm as well as on letter-head of the firm. On 1st October, 2018, Mr. C passed away. His name was neither removed from the list of partners as stated in front of the head office nor from the letter-heads of the firm. As per the terms of partnership, the firm continued its operations with Mr. A and Mr. B as partners. The accounts of the firm were settled and the amount due to the legal heirs of Mr. C was also determined on 10th October, 2018. But the same was not paid to the legal heirs of Mr. C. On 16th October, 2018, Mr. X, a supplier supplied furniture worth ₹ 20,00,000 to M/s ABC & Co. M/s ABC & Co. could not repay the amount due to heavy losses. Mr. X wants to recover the amount not only from M/s ABC & Co., but also from the legal heirs of Mr. C.

Analyse the above situation in terms of the provisions of the Indian Partnership Act, 1932 and decide whether the legal heirs of Mr. C can also be held liable for the dues towards Mr. X.

Nov-2018 (3 marks)

29. Mr. M, Mr. N and Mr. P were partners in a firm, which was dealing in refrigerators. On 1st October, 2018, Mr. P retired from partnership, but failed to give public notice of his retirement.

After his retirement, Mr. M, Mr. N and Mr. P visited a trade fair and enquired about some refrigerators with latest techniques. Mr. X, who was exhibiting his refrigerators with the new techniques was impressed with the interactions of Mr. P and requested for the visiting card of the firm. The visiting card also included the name of Mr. P as a partner even though he had already retired. Mr. X supplied some refrigerators to the firm and could not recover his dues from the firm. Now, Mr. X wants to recover the dues not only from the firm, but also from Mr. P.

Analyse the above case in terms of the provisions of the Indian Partnership Act, 1932 and decide whether Mr. P is liable in this situation.

Nov-2018 (3 marks)

PREVIOUS YEARS QUESTIONS

State with reasons whether the following statement is True or False:

1. An unregistered firm can file a suit for set-off. **Nov - 1995 (2 marks)**

2. What are the essential elements to form a LLP in India as per the LLP Act, 2008? **May - 2018 (5 marks)**

3. Explain the essential elements to incorporate a Limited Liability Partnership and the steps involved therein under the LLP Act, 2008. **Nov - 2018 (5 marks)**

4. "LLP is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership". Explain. **June - 2019 (5 marks)**

PREVIOUS YEAR QUESTIONS

Descriptive Questions:

1. 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?
(6 mark)[May 2018]
2. State the limitations of the doctrine of indoor management under the Companies Act, 2013.
(3 marks) [May 2018]
3. 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.
(6 marks) [Nov 2018]
4. Ravi Private Limited has borrowed 5 crores from Mudra Finance Ltd. This debt is ultra vires to the company. Examine, whether the company is liable to pay this debt? State the remedy if any available to Mudra Finance Ltd.?
(4 marks) [May 2018]
5. A company registered under **Section 8** of the Companies Act, 2013, earned huge profits during the financial year ended on 31st March, 2018 due to some favourable policies declared by the Government of India and implemented by the company. Considering the development, some members of the company wanted the company to distribute dividends to the members of the company. They approached you to advise them about the maximum amount of dividend that can be declared by the company as per the provisions of the Companies Act, 2013. Examine the relevant provisions of the Companies Act, 2013 and advise the members accordingly.
(4 marks) [Nov 2018]
6. Mr. X had purchased some goods from M/s ABC Limited on credit. A credit period of one month was allowed to Mr. X, before the due date Mr. X went to the company and wanted to repay the amount due from him. He found only Mr. Z there, who was the factory supervisor of the company. Mr. Z told Mr. X that the accountant and the cashier were on leave, he is in-charge of receiving money and he may pay the amount to him. Mr. Z issued a money receipt under his signature. After two months M/s ABC Limited issued a notice to Mr. X for non-payment of the dues within the stipulated period. Mr. X informed the company that he had already cleared the dues and he is no more responsible for the same. He also contended that Mr. Z is an employee of the company to whom he had made the payment and being an outsider, he trusted the words of Mr. Z as duty distribution is a job of the internal management of the company. Analyse the situation and decide whether Mr. X is free from his liability. (3 marks) [Nov 2018]

7. Sound Syndicate Ltd. a public company, its articles of association empowers the managing agents to borrow both short and long term loans on behalf of the company, Mr. Liddle, the director of the company, approached Easy Finance Ltd. a non-banking finance company for a loan ₹ 25,00,000 in name of the company. The Lender agreed and provided the above said loan. Later on Sound Syndicate Ltd. refused to repay the money borrowed on the pretext that no resolution authorizing such loan have been actually passed by the company and the lender should have enquired about the same prior providing such loan hence company not liable to pay such loan. Analyse the above situation in terms of the provisions of Doctrine of Indoor Management under the Companies Act, 2013 and examine whether the contention of Sound Syndicate Ltd. is correct or not ?

(4 marks) [June 2019]

8. Popular Products Ltd. is company incorporated in India, having a total Share Capital of ₹ 20 Crores. The Share capital comprises of 12 Lakh equity shares of ₹ 100 each and 8 Lakhs Preference Shares of ₹ 100 each. Delight Products Ltd. And Happy products Ltd. hold 2,50,000 and 3,50,000 shares respectively in Popular Products Ltd. Another company Cheerful products ltd. holds 2,50,000 shares in Popular Products Ltd. Jovial Ltd. is the holding company for all above three companies namely Delight Products Ltd; Happy products Ltd; Cheerful products Ltd. Can Jovial Ltd., be termed as subsidiary company of Popular Products Ltd., if it Controls composition of directors of Popular Products Ltd. State the related provision in the favour of your answer.

(3 marks) [June 2019]