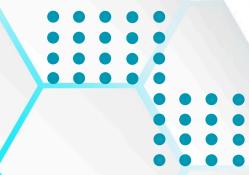


DIRECT QUESTIONS





IRF { 6 MARKS }



- 1) What is law and what is the process of making a law ?
- 2) What do you understand by Indian Judicial System ?
- 3) Write short note :-~ SEBI ~ RBI



Question 1

Law is a set of obligation and duties formulated by the government to ensure justice and social areyone. Indubor a vost hegal from ework consisting of diverse social, political, autimal and economical aspects of law. The process of drafting the law & as follows When the law is proposed in the portisment it is called 2 bill. The bill is a draft which is presented in both the houses of the porliament needs to be possed by majority of the members present and voting. The bill is first presented in Lok Sabha and Itren in the Rajya Babha, post approval the same is signed by the Bresident and Introduced in the official gazette then it becomes an Act and is applicable on all citizens of the country.

Questiona

Whenever these is a dispute between ci	tizens of the country one
Itre citizen and gowownment, these	
the judiciany.	, ,
The function of the judiciary	RAPID
· Regulation of the interpretation of	Act
· Dispute Resolution	
· Promotion of fairness among the	: citizens of the land

in Supreme Court The supreme lower is the spex body in the Indran judicial system. The Supreme coust was formed on 26 ton 1950 and the power is granted under outicle 126. The puincipal bench at that time had I member and now 34 members in total. A weit petition can be filed under article 32 against public interest.

cii) High Gurd The highest Court of oppeal in each state and Union territory. is the High Court. Article 214 of the Indian Constitution gives High Court the power to grant justice based toxic justicition at present there are twenty five high Courts in the countary. An Individual

con seek nemedy were his function ental nights one supporessed under outrole 226 can file 2 whit petition in kigh Coevet.

(iii) Distruct Court The distruct one established below the high Court dealing with Civil matters, the court of sensions deals with criminal offences. A Distruct judge cannot form cases for amount greater than 2 crosse. These cases core generally within local limits related to people and their property.

(iv) Meteopolistion (our

Metro polita	en Counts ore	established it	met-scopolit atton
cities u	where population	is ten lakhs	on more.
	ef Judicial Magiste		

and guarantee credit facilities

Jecurities Exchange Board of India	Reserve Bank of India	IBBI
· it is a gregulatory body	· It is the apex bank in the	. It is a body formulated
aduich control the	Indian bonking System.	for overseeing the process
securities market in	. It is under the ocunership	of insolvency and banksupty
the country	of the ministery of	. The regulator for
· It is under the ministery	finance	ourseeing these operation
offinance	. The RBI has the following	One is Insolvency Broglessiand
. To segulate the investors,	three deportments.	Agencies (ii) Insolvency Beofessionals
& took brokens, companies	BRBNM	(ii) Insolvency Beofenionals (iii) Information (Hibitics.
etc.	Bhartiya Reserve Bark Note	· They hardle cases sheloled
· It was established on	Mundhan - which handles	to NCLT and Debt
12th April 1988 as a	the pounting of curviency	sneconerry tribural
body, the powers	with two offices in	. The code cuas
were grouted on	with two offices in Central and western India	established on 1st oct
30th Jan 199 2 under		2016.
8ebi Act-1992	National Payments Composition	
	of India - which deals with	
	Settlement end classes	
	of pay ments.	
	PICQCL	
	Deposit Insurance and Credit	
	Gruorantee Corporation - providing insurance of deposit	\$

4) Explain in brief the various types of laws in the Indian Legal System

5) Write a short note on the following: (i) Ministry of Corporate Affairs (MCA)
(ii) Ministry of Home Affairs

7 Define 64 how is obligationef, duties formulated by the government to obtain justice and coeffarre. India is vast legal framework composed of Locial, political, cultural and economic lours. The type of laws prevelout in the country are Os follows. 08 Jollaurs. (su'minal law - It composed of Indian Penal code certich determines course, nature and puerpose of the onime, where as the Code of Griminal procedure lays down punishment guide line. It cours offences rape, nurder, attempt to munder etc.

Civil law -It comers the code of civil proved uses, which deals with matters of dispute settlement involving, divorce, family law, tout, frond etc. It courses only punishment and not imprisonment

Common Law - It is judicial precedent arbith course
the order e of the sequence court one
binding on all high course, scented to
binding on all high course, related to Coses which one of the same
Standing ie. Store decicis and are
Same on all four legs, the common low requires the HC's to abide by
the order of supreme court.
Burniple of Natural Justice - This Requires that in
court judgements, the following poinciples are followed
followed
Audi Alterum Patetrum - seight to fair hearing
Nemo Judex in Calau - a judge cannot be a
judge in his own case
Reasoned decision - all the judgements
Shall be subject to
euidences dis closed in
court of law.





INDIAN CONTRACT ACT { 18 MARKS }

1) What is bailment? What are the essential elements of Bailment?

2) Examine whether the following constitute a contract of 'Bailment' under the provisions of the Indian Contract Act, 1872:

(i) V parks his car at a parking lot, locks it, and keeps the keys with himself. (ii) Seizure of goods by customs authorities.

Contruct 9674362447
Q1) Bailment defined under <u>section 148</u> refers to a
as pulliner office where the right of the
transaction involuing tocouster of powerion of
goods from the bailor to the bailee, with
or <u>cuithout</u> consideration,
The example of the contract of failment are
The exential elements of the contract of bailment one as follows:
re journes.
a Contract - Bailment is based upon a contract. The
may be express of implied.
(b) Delivery of Goods - It- involves delivery of Goods brom
(b) <u>Delivory of Goods</u> — It- involves delivery of Goods from Ita: bailor to the bailee, such
delinery can be constructive or
School delinery.
(C) <u>Purpose</u> - Bailment shall be made for a porticular
purpose, the same can be express or
implied.
(d) <u>Powerston</u> - In cose of bailment throne is transfer of
CD Paper possession of goods from the bailor
to the bailee for completion of a
purpose.
(c) <u>Return of Good</u> . The goods are to be returned
after completion of purpose, where
such goods are refained offer completion
of purpose the bailee is responsible for any loss incurred



- 3) Difference between General Lien and Particular Lien?
- 4) Difference between wagering and contract of insurance
- What is the meaning of contingent contract right 5) briefly? It's essential also explain any three rules relating to enforcement of a contingent contract.

Q3) Lien refers to the right to referin powerton of the goods for non payment of Consideration promised under the contract.

General lien	Positiculos Lien_
Section 171	Section 170
Agenerial lien is not	A Bodicelar lien is
automatic. It is excercised	outomotic
only when mentioned in the	
contract.	
It can be excentrised against	It is used only ahen on
goods on which bailee has	Here goods involved in liten
Excensised noskill	Some skill, labour or
	work is pet-in.
The bunual lien can be	
excercised on any goods of	A is only excercised on
the bailor.	Such specific goode bailed.
Excercised by banker, policy	Bailee, findour of goods are
brokers etc.	Bailee, findær of goods are eligible for Portficular lien.



Bosts	Contract of Insurance	Wagevung Agreement	
Meaning	It is a indemnity	It is a promise	
	contract to pay	to pay money or	
	lokes	money cworth on	
		tte happening or	
		non happening of	
		en event.	
Consideur		These is no	
	povernium is paid	Consideration just	
	'and policy value	a bet to win	
	benueter as	orlose	
- T- 11			
Insurable	Interest The posity insured	There is no	
/	has interestin	property involved	
	Atte well being	in wageuing	
	Of the people the	agreement, 'no	
	intured	interest in litre	
Contract	of Europe Contract	event.	
Lon Inden		Magning is not	
404	inity of insurance exception if the insurance is	ept on Indemnity	
	en indemnity		
	contract.	Shall pay money fo the cuinner.	
	Certification -		
Enforce	objlity It is valid and	I. If is void and	
	Grørcesble	cinenparceable	
N			
- Bremlu	m Calculation of	No log/cal	
	'thermium is	Calculations	
	Scientific	are modehere	
	v		
Peulolic	Culeifore Coursent	Crowenment	
	promotes	disregandes	
	inscerance	vergeveng Jogreement,	
	for Rublic Weefoor	. dgreement,	
	(deefor	10	
	v		



Q5) According to Section 31 of ICA-1872, A contract	
to do or not to do something, if some	
event, collateral to such contract, does or	
does not happen	
The scules for enforcement are given under	
section <u>32, 33, 36</u>	
(a) Enforcement of contructs on an event hoppening	
(Q) Enforcement of contructs on an event hoppening where a contingent contruct is dependent upon	
happening of an event, and it is couldin	
that such count shall never occur contingent	
is void.	
(b) Enforcement of Contract on non happening of	
ân event	
where a contragent contract is dependent	
upon non-happening of on event and it is	
contain that such event has abready ocurred	
the contingent is void.	
1	
(C) Contingent on specified event which is impossible	
where a Contingent contract is dependent o	
a impossible overt it is void.	
Elements of Contingent Contract.	
Interpretation of Contropent conformed is dependent.	
upon happening or non-happening of an event.	
2) The event referred here is collateral in	
nature not	
3 The contingent should be the cuilled pocomprove	
(3) The event must be <u>uncortain</u> .	



6) Who is considered as an agent under the Indian Contract Act, 1872 and what are the duties and obligations associated with this role?

7) What are the rights of indemnity holder, when sued under a contract?

8) Agreements without consideration are void. Discuss.

Q 6)	Agent means 2 person employed to do any oct-for	(5)	Communicate cuith Pennsipols - It shall be the Agentis Duty to Communicate cuith the
	another person or to requesent another person		principal and consult for any difficulties.
	while dealing with a third party.		
	and the country contribution por off.	6	Duty not to make secret Brofiks - It-is the
	The duties and obligation of an egent one os	C	duty of the Agent not to make
	me care and congaron of cr afea che		duty of the Agent not to make secuel profile in the conduct of busines
	follours		Any secret profit shall be duly recommed
	- Jerrowell		
()	Duty to follow Instructions: Any person acting as	Ŧ	Duty not to delegate - The Agent shall not further delegate his worth to a sub Agent.
	an agent shall be susponsible to follow the		
	, ,	(E)	The Agent Shall not disclose any confidential
	instructions as given by the principal, where		, , , , , , , , , , , , , , , , , , ,
	Ĵ		information kelated to the principal to any
	no instructions are given, what is required		
	·		thind porty.
	in such type of toude.	•	
	0	(9)	Agent to pay any amount recieved on behalf of
<u>(</u> 2) Duty of reasonable care or skill - The agent shall		the pouncipal in the course of acting and an
	act in the best possible manner taking care and		agent— to the principal
	reasonable protection of the goods belonging to the		
	principal as a purson of soudinary pundence.		
کی)	B) Duty to siender Proper Accounts - The egent shall		
	programmer programmer inte agent since		
	maintain utmost care and suggest cubile providing		
	martian winner core and regiad course producing		
	complete information in a diligent manner in subation		
	Conficto Mana Mas Children Mana Standon		
	to official of the provinger		
	to offairs of the business.		
6	Duty not to deal on own account - Agent shall not		
	deal on his own account, or the		
	original shall have the wight to any plate		
	the contriact and claim benefit resulting from	·	
	such own friangastion done by Agent.		
	sure our drangerier cone of right		



Q∓	Under the Indemnity Contract the Indemnity holder shall have
	(ta fallouing suights: 125
	P is all damages which he may be compelled to pay in a suit.
	P (i) all domages which he may be compelled to pay in a suit. (eq-nuksaan)
	C (11) all costs which he may be incurring to defend the suit.
	(eq. lawyer chorges)
	S (iii) ell sums which he may be kequived to pay as a Compromise (eq. settlement Charges)
	comptionse (eg. settlement chouges)



One valid even in absence of such consideration.	gratuito	us bailment.		
The following agreements are notic even without consideration	(7) Charl	J charite	promisee 1, such pro 1006 (Kedari	omise to
(1) National Love and Affection - The following Conditions are reaginized to				
qualify luch agreemente as valid.				
· It must be made out of natural love and				
offection				
· Poutries in neor relationship				
. Must be in woifing				
· It must be requisitored under law.				
2) Compensation for post Noeduntary ferrice - In order for such an				
Agreement to be valid the following Conditions are				
to be fulfilled.				
0.8.				
- The octivities one done voluntarily				
- The service is done for the promison				
the preventant prevent he in antertance				
- The promisor must be in existence				
- The Intention is to compensate				
(3) Promise to pay time boored debt - where 2 promise				
i's taken in whiting, to guarantee paym	ent			
of time barried debt, it is valid and enforce	ceable.			
(4) Accurate Outring the supported on the start				
(4) Agency - Agency can be created cuithout any				
Consideration				
(5) Grift - A completed gift does not involve a	ų			
Consideration.				
(6) Bailment - Bailment involving toronsfor of possess	lop			

it is too med as	
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liability in nature of pay is a valid Mohommed)

9) Explain privity of contract ? What are its exceptions

10) Provisions with respect to joint promisors in case of death or insolvency of promisors.

11) Explain in brief with reference to the provisions of the Indian contract act, what are the rights enjoyed by the surety against the creditor, principal, debtor and co-sureties.

Q9) The concept of Burnity of Contract states that

2 Stronger t	e 2 contruct	cannot sue the poorties
provided by 2	Stranger.	Consideration can be

However the Shove scule does not apply in cose of the following:

(i) In case of tourst - a beneficiary to the tourst con enforce his right under the truet though he was not a poorty to the contract.

(ii) In case of fomily settlement - teams agreed in course of settlement in favour of a third party, such third party can sue the parties to the contract.

(iii) In case of morninge contracts - a promission made for the benefit of any prosson, may be enforced by a party not included in the contract.

(iv) In case of assingment of a contract- when the benefit under a contract is assinged to a third porty such party can sue for compensation.

(v) Acknowledgement or estoppel - where the promisor acknowledges Coccepts) himself as a agent of the porty there is a binding contract.

(vi) In case of covenant summing with the land - the person who persolves any property iscrespective culletter the land courser has informed of existence of special condition shall be bound by it.

(uii) Contracts entered through Agent - The punnipal con enforce the contracts entered by his agent achere agent-has acted within the scope of authority and in the name of the principal



BIQ

Section 42 - In a contract there can be more than one promison each promison is equally responsible for the activity of all other Section 43 - In the event of death or insolveny of any of the promisor since the promisors are jointly and senerally liable debt can be recovered from one of the promison, eny of the promisor may be compelled to perform the promisee, however he is not discharged by other promisors Section 44 - In the event of death or insolvency of all promisons logal representatives of all the promisons one résponsible

Q11) The Rights of a Sworety curder a contract are as	(D) Implied promise to indemnify
	swiety - There is an implied
follous:	promise on the PD to pay back
	the amount due to the Sublety, in
a) Rights against the creditors	relation to delet paid by survey to
(2) funder it evident to the standing and the sound	Greditor.
(S) Swrety " right to benefit out of <u>creditor securities</u> - A	(ST)
survey is entitled to benefit out of every	
<u>Becurity</u> which Creditor has against the	Security
principal debetor, where evoretry has dis charged the debt.	
twe dever-	Seeprog
S Right to set off - If the creditor sues the	Shaer
survety, for payment, the any premions . 0.60 ?	EA sports no (S3) Interesting har
. 0.60) delot of PD will be first adjusted with 100,000 60,000 that of PC.	
PD PC WOL CJ VC	Set of TI
1 0.60 surly Right to shore Reduction - The sweety has the right	Jeem
to claim proportionate reduction in his lisbility	Equally Amount
8) on insolvency of the principal debtoor.	Copletting Britocold
(b) Rights aqainst co-swietres	
(E) Co-sweeties are liable to contribute equally - Unless	
attrouvise danced all co-swriftes are eligible	
ottreunise agreed all co-swiftes are eligible to contribute equally.	
(A) Lisbility bound by porticular Amount - The	
co-swrities can eggree to contaibute cupto	
a positicular amount, then liability shall	
be offixed upto such amount.	
(c) Rights against Debtous	
Right of <u>Subrogation</u> - where 2 debt	
po la har basis a martial basis de datuit al	
Los been guaranteed becomes due on default of	
PD and Queeky de chaves and delat to the	
PD, and surrefy discharges such debt to the	
Creditor, he gets all rights which PC had	
clainst the PD	

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UL PULLUI VIV	
· · · · · · · · · · · · · · · · · · ·	

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

- 13) Explain the term of 'Quasi contracts' & state their characteristics
- 14) Define consideration. State the characteristics of a valid consideration under the Indian Contract Act, 1872.

- Q12. Contracts need not be performed section 62, 63, 64 of the Indian Contract Act 1872.
- Novation The porties in the contract can repudiate the old contract and enter into a new Contract or by mutual agreement between porties, the porties of the contract change and the contract remains the same
- Recission A contract may also be dis cloringed by recircion,
 certrere litre poortier to the contract mutually repudiate
 the contract. This discharges litre poorties to the
 Contract.
- Attention A contract where the texas and conditions
 One attend without any change in the original contract, is termed as attendion of contract, the posities are discharged from the original texas of the contract.
- . Bromisee may waive or remit performance of promise Every promisee how the reight to waive performance of promisee, however such waiver shall be subject to acceptance of some alther satisfaction
- Restonation of Benefit under a voidable Contract Where an agreement, which is voidable is enforced by the aggreived porty and the same is rendered void, all benefit devined under such agreement shall be restored to the porties of such contract.





Q14

As per pection 2(d) - where at the desire of the promisor, the (promisee on any other person has done or abstain from doing something, such act on abstinance on promise is called consideration

Legal rules salated consideration

O Consideration may move at the decise of the promition. Consideration in a contract is officied by the third party or promitive to the promison.

Considuration may more from the promises of any other person - In India the consider atron may be provided by the promises of any third pooling on behalf of promises

Descrited and Executory consideration - A consideration which involves performance of an act is executed in nature, where performance is delayed it is executory in nature.

Densideration may be past present or future - The consideration - tion in a contract may be provided at the desire of the promison in the post in exchange present performance or may be executory for future port ormance.

5) Consideration need not be a dequate - Consideration need not be of adequate value, the requirement is that consideration should be of some value.

Onsi devation must be seal and not illusory – It should something to which law attoches value. If it is impossible to execute it is not valid consideration. 15) An anticipatory breach of contract is a breach of contract occurring before the time for performance has arrived". Also, discuss the effect of anticipatory breach of contracts under the Indian Contract Act, 1872.

16) Explain the terms "Trafficking relating to public offices and titles" and "Stifling prosecution" as per the Indian Contract Act, 1872.

Q15) Anticipatory breach is the breach occurring prior to
the due date of Performance.
J
The Effect of an Antrapatory breach is as follows:-
In event of an anticipatory breach the following
options are quailable
(1) To treat the contract or prepudiated and sue
the other porty for damages in relation to breach
of contract immediately without any deby.
0H
(2) He may elect not to <u>cancel tra</u> controot and freed it
<u>De aperative</u> , under such care the guilty porty may perform efter reconsideration or benefit out
of any impossibility of the event, which discharges the contract.



Q16)	Boths Toxafficking in public offices and stifle prosecution
	are void agreements since against public
	policy.
1	Buofficking in Public offices and titles
	Agreemente against trafficking state, that money
	consideration to Obtain any employment in
	public offices on any government fittes
	is considered void and such offences are
	against cueffone of public:
	ris Amount paid to 2 public securat to
	retire early in order to secure job
	placements, is void.
	(ii) Acquire any public titles by payment of
	buibe eq. Aujuna Aavand
(Stifle Prosecution - An agreement to tamper with
	wittness on evidences, in order to disway
	the proceeding from its normal course 1s
	teximed as Style Brosecution such an
	agreement is void as it is against
	public metfore.
	v



17) Define fraud. Whether silence will amount to fraud as per the Indian contract act.

- 18) Define possibility of performance, what are the different types of possibility, effect of possibility.
- 19) Who is responsible to perform the contract.

20) Define appropriation of payments.

•	
Q (7)	Brand suefers to unintentional mistalement of facts, with
	the knowledge of falsity of facts, meant to deceive
	the knowledge of falsity of facts, meant to deceive the other party by entering into a contract.
	(Section 17)
	Mere Silence Shall not be treated as froud, however
	Silence Shall be equivalent to froud if
	- There is a duty to Speak
	- Silence is equivalent to Sprech
	- The porties are in fiducionly relationship.

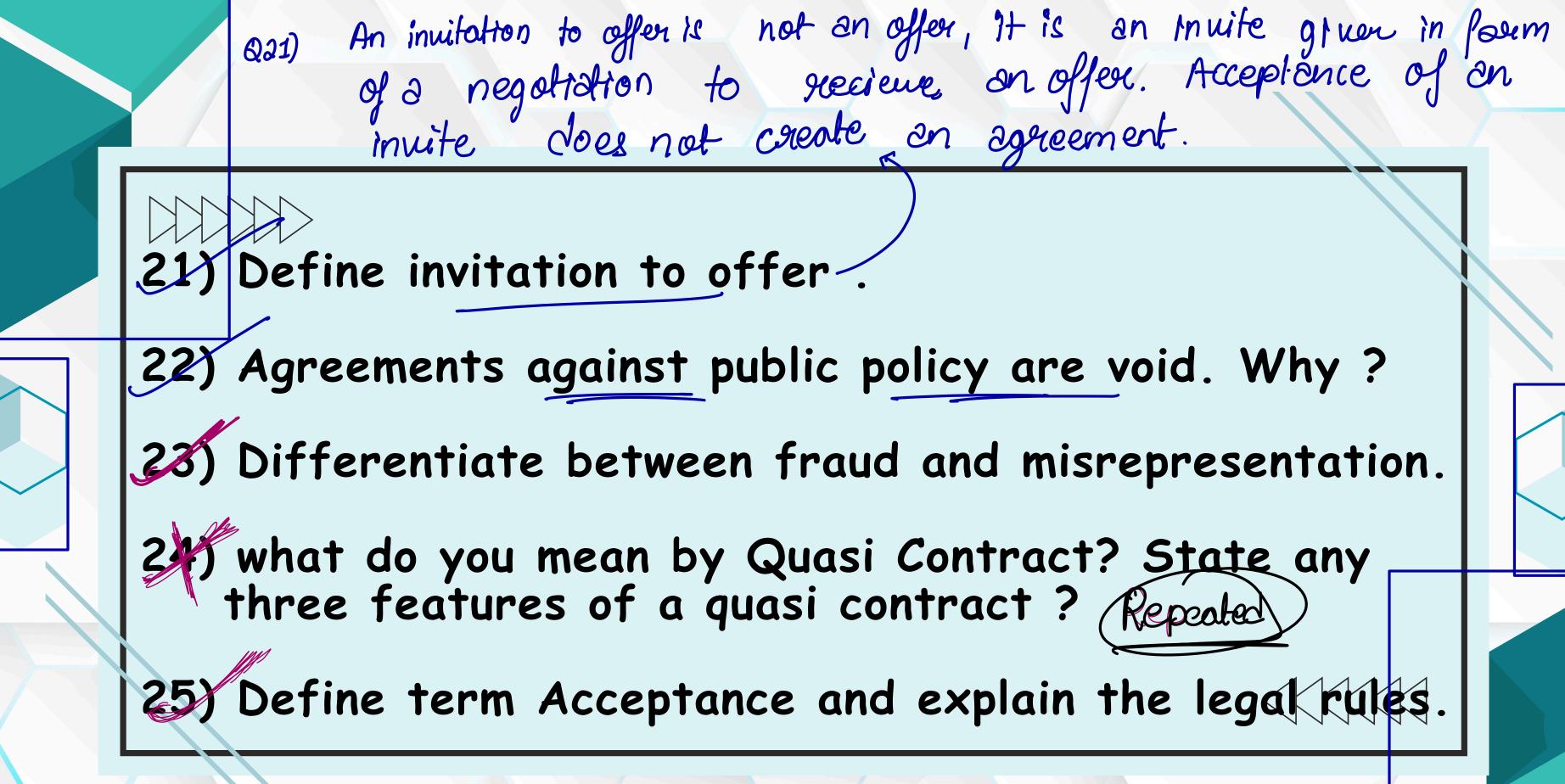


68

Impossibility of defined uls 56, menders the contract void There are two types of impossibilities. This Impossibility - It refers to impossibility of performance which is existent at the time of formation of contract, the agreement is void ab initio. e.g. agreement with a minon. Subsequent Impossibility - where the contract becomes impossible to perform on hoppening of an event it renders the agreement void, it is also known as supermining impossibility e.g. business becoming unburful due to Change in law.

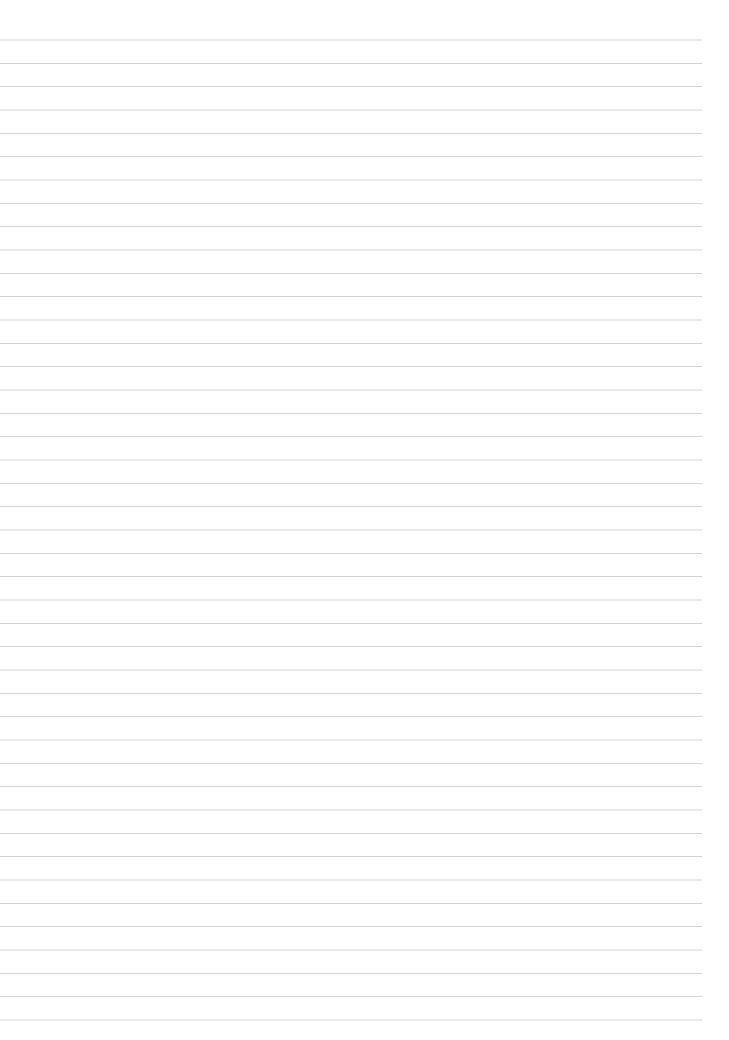
Q19) According to Section 40,41,42, the Contract shall be	
peufourned as follours:	
(1) Bromisor himself - Where Ite contract involves use of	
personal skill by the promisor, only the	
promisor can perform the contract, on death	
or incorposity of the promisor such contract	
or incapacity of the promison such contruct is void due to impossibility of performance However where personal skill is exclused the	
However achere personal skill is excaused the	
Agent or any other person can also	
discharge dufies under 2 contract.	
(2) Agent - where personal Skill is not required under the	
contruct the prombox & Agent can perform	
1te conferret.	
(3) Legal Representatives - The LR can perform the contract not	
sequiring personal skill, if a contrary intention does not appear in the contract. Liability avill be limited to amount of Assets inherited.	
does not appear in the contract. Lisbility	
auil be limited to amount of Assets inhubited.	
(i) Third Peusons - when a promisee accepts performance of	
a contract from a third person, the promisor	
is discharged from any liability towards the	
promisee.	
(5) Joint Priomisous - When four our more promisous have	
made a joint promise to the promisee,	
unless othousest agreed the promisee can	
enforce performance jointly or severally from any	
of the promisione.	







Osa) All Agreements certrich are against	oublic cuellage of public
	partie of partie
policy are considered void in na	ture.
(1) Tranfficking in Public offices and titles	3 Agreements to create monopoly - alleve any
	Agreement is fourned to coreate any monopoly
Agreemente against trafficking state, that money	ceehich advocsely hampens the situation of
· · · · · · · · · · · · · · · · · · ·	competition in the country is called an
Consideration to Obtain any employment in	agreement against public policy.
public offices or any government titles	
ic considered void and such offences are	(6) Morvioge Brokerage Contracts - An agreement to
29 ainst cueffore of public:	recieve at commission an amount on account of
	finalising 2 marriage ceremony is 2 moveriage
(i) Amount paid to a public secural to	Brokeringe Contract and is void <u>Marrowinge burean</u> is not convered.
retine early in order to secure job	is the condition.
placements, is void.	(=) Interference cuits course of justice - where agreement is
(ii) Acquire any public titles by payment of	made to boube a judicial afficer or an
buibe. eq. Aujuno Aavord.	aduocate to dellide the case in a persons
	fousur, such an agreement is in nature of
2) Stifle Prosecution - An agree ment to tamper with	interference with course of Justice.
wittness on evidences, in order to disway	
the proceeding from its normal course 12	(8) Interest over Obligation - Any agreement where the
twiened as style Prosecution such an	person involved selects his interest over
agreement is void as it is sqainst	the duty or obligation he is bound to peoplerm
agreement is void as it is sqainst public melfone.	Such agreement is void.
	- -
(3) Trading with Alien Enemy - Any touade, other than	
approved by Growenment, during the times of wor	
auhen à country is considered às an ellien	
enemy is void.	
(4) Maintenance & Champerty	
() (How work to commissed by	
- Maintenance \rightarrow is an <u>agreement</u> in which a	
person is ready to support 2 law suit	
without any interest in it.	
- Champedy -> is an agreement in which the	
porty assisting to file the sent lose claim	
for 2 portion of winnings from such case.	



	The	fallouing	points differentiate between	fecoud and
23)	mis	: representatio	ו טו מו	0
	Bosis		Fraud	Michepuesentation
	ta I.I	0		
	Knowled	ge of truth	The purson making the	The purcon making
			Statement is amore	the statement
			about falsity of facts	believes it to be the townth
				(VCL) SCOOR .
	Recission	of Cantroct	The party aggreenied	The injured poorly
	100 1001011	Junitica	may sepurate the	con culy
			may supudrate lite. contruct and claim	repudiste the
			Jar Jamages	Conforcet.
			0 /	
	Intentio	n	To deceive the other	There is no intention
			poorty by hiding the	to deceive the
			tocuth	Other porty.
	Manu	to discouer	The dominished courts	The injured party
	the to		The Eggueived porty shall not have menus	can suggest that
			to discover the truth	menni to discover
				touth were
				a vailable



(25) lution of b) doll in Decolorise
(125) Section 2(b) defines Acceptance
When the person to whom proposal is incidates his
assent there to the proposal is accepted.
The offer when Accepted fournes the Agreement
The legal rules related to acceptance are as fallours:-
(1) Acceptance shall be made by the posson to whom the offer
has been made, this occurs in case of specific affer
(Boulton ve Jones)
•
a) Acceptance must be Communicated, by afferror to the
offeree, cuits out communication the offer cannot
offeree, without communication the offer cannot be deemed accepted (Metropolitan Railway 6)
(3) Acceptance may be absolute or an conditional, the
acceptance to the contract shall be absolute and
without any changes of addition in terms of
the contracts.
(4) Acceptance Shall be made by the mode presonibed
in the offer, where no mode is rescribed acceptance
con be made in most reasonable manner.
(5) Mare Silence is not acceptance, i.e. offer connot be
(5) Morre Silence is not occeptance, ie. offer connot be occupted in an implied manner merely by Silence. (Felthouse vs Bindley).
(Felthouse V& Bindley)
J,



26) Liquidated damages vs Penalty

27) Explain with reference to The Indian Contract Act, 1872 :

- (i) When a contract is said to be induced by "undue influence".
- (ii) When a party is deemed to be in a position to dominate the will of another.

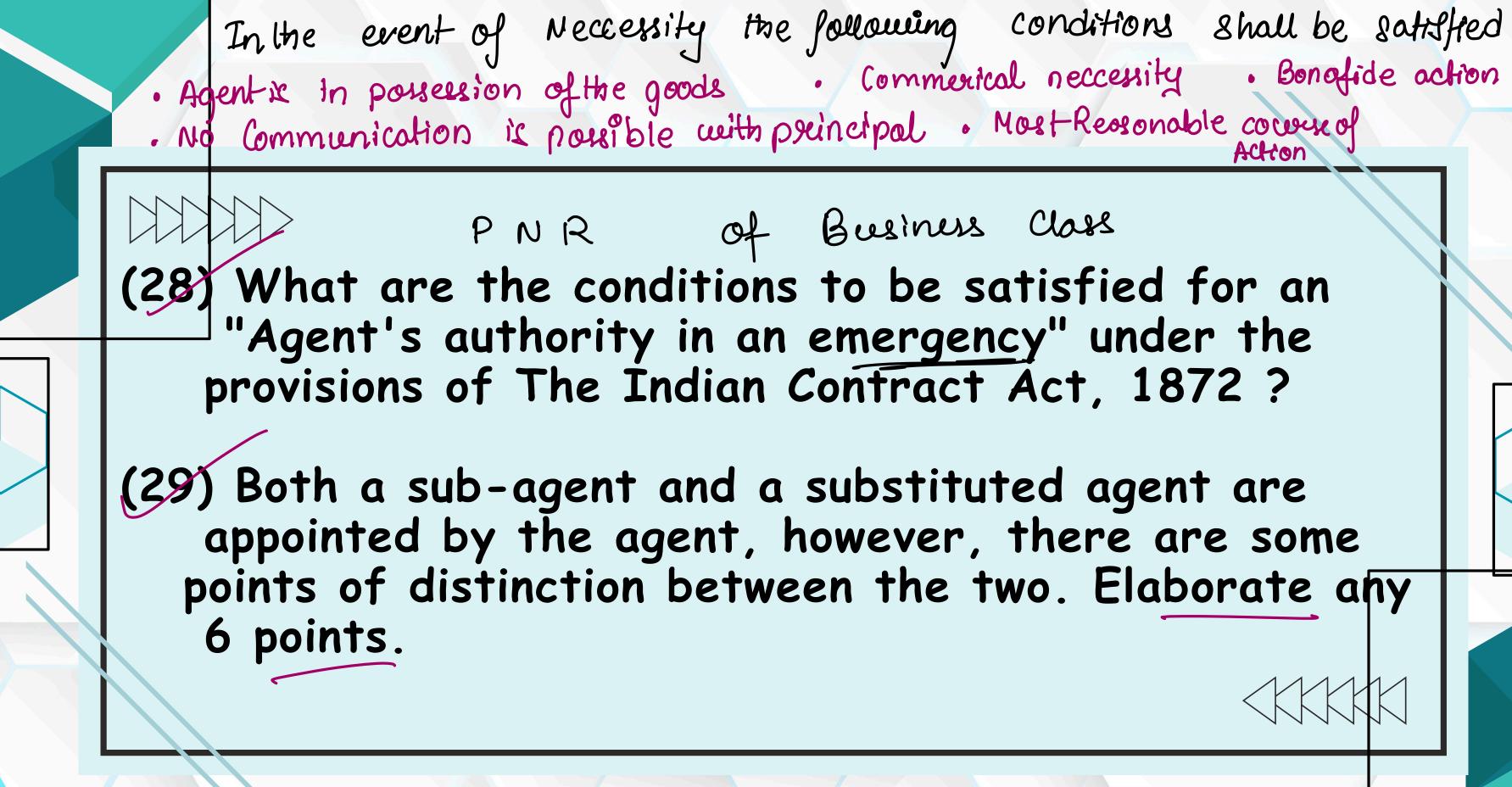
Liquidated damages	Penalty	
, ,		
If sum payable is les	If the Sum payable is	
than or equal to the	for in excess of the	
amount of loss incussed	octual damage it is a	
it is termed as Liquidated	penolty.	
daninges	I	
·		
If amount is payable due	If payment is to be	
to domage it is liquidated	made cuhere damages	
damages	are unlikely to be	
	incurred it is referred	
	os a penalty.	
It is a genuine pre estimate	It is extensionagent	
-	in nature	
The reason if to recover a	The change of	
bin estimate of loss	penalty is cuith the	
Invursed due to actions	intention to create	
of a party.	teoror in Ite mind of	
0.	tre offender.	



QQ7)	According	<i>t</i> 0	Section	16,	of	ICA	1872
	0						

W Undue Jufluence refers to a contradel formed due	
inducement of will by a processon cacho is in a dominant position to control the will of the other	
dominant position to control the cuill of the other	
porty, by entering into a contract taking unfair	
Advantage of such influence.	
(ii) Under the fallowing coses the poorty shall be eligible	
v	
to dominate the will of the other person.	
-	
- Real or Apporent Authority - when a person holds	
real or apparent Aelthouity oner the	
other poorty and enteus in a contract	
to dominate the will of such	
person-	
- Fiduciony relationship - where there is a relationship of trust its parties are in control to hamper the will of the other person in the contract.	
of trust the porties are in contriol to	
hamper the certh of the other person	
in the contrioct.	
- Mental distants - An Undue Jufluence can be used	
2 quinit 2 person keffening from any mental dértauss or illness or old age.	
Mental dértruss or illness or old age.	
- Un conscionable baugains - ashere the ferens of the contract are a clear indicative that	
contract are a clear indicative that	
something unfair has been done to	
enter such a contract, it is undue influence.	
Inputtice.	





629)	Sub Agent	Substituted Agent	
	- works under the control	works under Ita	
	of the Agent	contract of Buincipal	
	- Allowed to Appoint 02	He seploces the	
	per teams of Contract	original Agent	
	- The Agent delegates his	The substituted	
	Quer duty to tub	Agent works	
	Agent	directly by the	
) ·	oxinged takes orders	
		directly for the principal tokes orders from the principal	
		0 · · ·	
	- SubAgent not properly	the publicy is	
	appointed does not	established between	
	Create puivity of	brind porty and	
	appointed does not create privity of contract	Principal.	
	- SubAgent hos no	- Substituted Agent	
	sight of remuneration	works directly for	
	sight of hemuneration from Binapol	the buincipal hence	
	U	eligible for	
		remuneration.	
	- Appointment of the	- Appointment of	
	sub Agent does	Bubstituted Agent	
	not discharge	dischorges the	
	the Agent in	Agent tourards	
	subAgent does not discharge the Agent in relation to the	the principal	
	principal		
		•	



30) Explain any five circumstances under which contracts need not be performed with the consent of both the parties.) 62 63 64

31) As per the general rule, "Stranger to a contract cannot file a suit in case of breach of contract". Comment and explain the exceptions to this rule as per the provisions of the Indian Contract Act, 1872.



SOGA { 7 MARKS }



- 1) Discuss provisions of Auction Sale.
- 2) What are the essentials for the appropriation of unascertain goods ?
- 3) Rights of unpaid seller against buyer.
- 4) Rights of the buyer against the seller.



SOGA

Q.I)	According to Section By of the SOGA on Auction is	
	an <mark>ourongement</mark> where the bidders engage with	
	the auctionees to purchase the commodify, and	
	Ite goods are transferred to the highest bidder.	
	Legal Rules Related to Auction Sale	
L	(a) Where the goods are sold in lots each lot shall be	
	Subject to bid sepurately.	PNR al Kail
	· · · · ·	
C	(b) The completion of the contract is on the	
	fall of the hammer or suy other	O a large
	customory mamer.	Control
_		
R	(c) Right to bid may be reserved exprussively or on	
	the behalf of the seller, the seight is scenered.	
	· · ·	
N	(d) Where the seller has failed to notify his	
	existence to be a port of the auction or any	
	renson on his behalf it shall be anlawful if	
	the seller participates in such auction.	
0		
R	(c) Resound puice is the minimum puice from	
	adure the arction originates, also known as	
	upset price or reserve price.	
0		
r	(f) The Seller may appoint a person to excercise	
	pretended bidding, however this is voidable.	



ରର)	The Quantum in case of sale of unaccoutain goods
	can be triansferred by zappropuliation of
	goods in the fallowing monner provided under
	can be trionsferred by 2ppropriation of goods in Ita fallowing manner provided under section 23(1)
	The essentials of appropriation are as fallows.
D	Goods are sold by description.
	Goods should be in deliverable state.
υ	· There is sale of unaccertain or future apode
	· There is sale of unacortein or future goode · the goods are unconditionally appropriated to
	the contract.
A	· The appropriation may be made by the seller with
	consent of buyer or by the buyer with consent
	of geller.
	· Assent may be exposes or implied, may be given
	before or ofter appropriation.



	04
Rights of the Seller towards buyer	Rights of buyer agains
Suit for Puice (55) - Where under 2 Contract of sale prices is to be paid irrespective of the time of delinery, failure to discharge, price, the seller may sue the buyer for price of such goods.	1) Damages for non-delinery (57) -
be paid innespective of the time of delinency, failure	
to discharge price, the seller may sue the buyer	
for price of such goods.	
Even if agreement to sale is made payment of puice has to done if mutually agreed in the contract cubether	
to done if mutually agreed in the contract achether	@ Suit for Specific Performance (
proporty has been possed or not.	& sur jour spectric regarinance t
Suit for damages for non acceptance (56) - where the buyer	Lowever the court
All for annages for non acceptance acc, antere na Dupor	only when
accordingly selver delinery of poode, the feller may	D - Damages are not seffici
currongfully refuses delivery of goods, the celler may	v - Goods ave of unique r
sue him for damages, section 73 of ICA 1872.	S - Goods are greafic Go
	s - performance is subject
	Act 1963
Repudration of contract prior to due date (60) - feller shall see the benjor	
	(3) Suit for breach of Warnanty (59) -
for wrongful termination of conteract perior to delivery,	Can Claim damages
V	Can Clour damages
the rule of Anticipatory breech Shall apply.	in the article
	(i) diminution or extin
Suit for Interest (GI) - Where the agreement <u>contains payment</u>	(ii) <u>Sue the seller</u> for d
of interest for delay in payment the seller can recover	
Juch interest from the buyer, however where interest	
Ŭ Ū I	
is not provided, the court may sword	Repudiction of contrusct prior to due date (6
interest at rates found reasonable, for period of	for auxongful tearnination
delay.	the quele of AntrinoLage
	litre surle of Anticipator
	Suit for Interest (61) - wh
	0
	Seller and de
	the buyer i
	to the

inst Seller

where the Seller cerrongfully refuses to deliver the goods to the buyer, the buyer may sue the Seller for damages for non delivery. (58) - Buyer can appeal to the the seller to perform the contribut it can order specific performance tcient to compensate the loss. nature. roods. ect provesions of Specific Relief Where there is 2 breach of ort of the seller, the buyer in form of tinction of price OH, • camages for breach of warranty (60) - buyer shall see the seller contract poilor to delivery, of breech Shall apply. ey there the buyer has paid money to the delivery is delayed or contract is repudiated is entitled to recover interest at rates reasonable Cocert, for the period of delay from date of payment

- 5) Discuss the doctrine of Caveat Emptor and State Exceptions of the rule.
- 6) Sale by Sample (Case Study)
- 7) Discuss the provisions of sales and return as per section 24 ?
- 8) Explain any 6 circumstances in detail where ownership can be transferred by non owner.

Ans 5) The doctruine of Caneat Emptor States that, let the buyer	- relied on the Skill and Judgeme
	feller.
bewore, that is the buyer shall be aware about	- seller is 2 dealer of such goods
his colorison of a to a flat the second hald	Pulso la sul sul ma i accute al s
his selection of goods, as the buyer cannot hold	failure to comply with requirement, shall
	the conforact.
the Seller lizble for his incorrect selection of goods or	
	(5) Condition as to Merchantebility - where
where goods do not comply with a porticular purpose	
	are sold by description, the impl
The Doctruine of Cauest Emptor canteins the following exceptions	
	flooring the onde to be of m
(i) Condition as to title - There is an implied condition	requires the goods to be of me
that the title of the goods shall only be	Quality ie. fit for self use or
teronsperred by the owner of such godds or	•
teronsferred by the owner of such goods or the person hawing the scight to sell.	However where the defect is en
2) Condition as to Sample - Where the goods are sold by	reasonable examination, and the
Sample trace is an implied condition that the	
	negligent, the doctains protects
is bulk of the goods shall comply with sample	
	(6) feller actively conceals defects in the goods-
cii) the buyer has reasonable apparturity to compose	
	seller is amore about the defen
the bulk with the same.	
	goods and actively conceals the
(iii) the another are large large and delacter which	
(iii) the goods are free from any defects which is unmerchantable and not wisible on examination	taline de sant las las sent
is an merchan fable and not with ble on examination	Injury incurred by the buyer t
(ie. latent defect).	
	lieble for Jamages.
(3) Condition as to Sample I description - Goods sold by	~ ~
fample as well as description, the doctruine	
of Caveat Emptor Shall not apply where goods fail to comply with such sample	(1) Trade Usage - An implied cuarrienty as
goods fail to comply with such sample	usage ie. quality & fitness on contract, where the fellor de Condition the buyer has a
	contract , where the fellow d
as well as description	Candidan / human log of a
	CUTIONTIUN ITE DUGET VIUS à (
(4) Condition as to Quality and fitness relevant for buyer's	
Duppose - The caller is not oblicated to require	
purpose - The seller is not abligated to provide	
goods to comply with buyer's purpose, nouveur	
allere the buyer.	
- has made the purpose known to the feller	

nent of the
0
all repudiste
tre goods
plied condition
nerchantoble
or Jusale.
uident on
buyer ts
ts the seller.
s- Cechere the
lect in the
te same and
the seller 12
as to tauade and
nnexed to the
defeats such Claim for damages.
Claim for domages.

Question 7 Section 24 When the goods are delivered to the buyer on sprrousl basis, i.e. setwin of the same shall be made to the seller if buyer refuses to accept the same, annorship is triansfer if any one of following accuse: (a) when he signifies his approval or acceptance to the goods. (b) if no approval is made within specified time on in Event of no time fixed within scensorable time and buyer retains the possession of the goods. (c) where he does something inconsistent to his ownership of goods eq. resale or pledge

Q8) According Section 27 of the Sales of Groods Act, a noncounter	purchase	, the ruleshall	not	epply.		
cannot tenousles a better title to the goods then	Ì	Sale by	ən	Unpoid.	feller -	Resole o
he himself has, the Latin term Nemo dat quod non				fell	er cendes	n section
habet, restricts the transfer of a valid title from				valia	1 title	to 12
2 non ourser.						
However the above sule has the following exceptions						
 (i) Sale by Mercantile Agent - Asale by 2 mercantile agent of goods shall toronsfer 2 valid title to the buyer Provided that (i) - the buyer has acquired the goods in good faith. (j) - the agent is 2 dealer of such goods. (j) - goods are in possession of the Agent. 						
(2) fale by Joint Owners - where the sale is affected by one of the joint Owners who is in pomention of the goods, the bonafide purchaser acquires a valid title.						
(3) Sale under 2 voidable Contract - Sale offected under 2 contract where consent is obtained by coercion, fraud, missequesentation, mistake or influence, is Noidable at option of aggreined party, sale effected during the existence of such voidable contract the buyer gets 2 valid title, where goods are purchased in good faith.						
(a) Sole by a person having possession offer goods one sold - If a person has possession of goods and they are sold to a third person in good faith, such person Shall have a valid title to the goods, even pledge of such goods shall be valid.						
(5) Sole by buyer obtaining possession before the property has been franspured - Any person obtaining goods from the buyer, under good faith shall acquire a valid title to the goods however if the same is goods recieved on hire						

of goods by an unpaid fron 54 shall give 2 the goods.

9) Destruction of Goods under section 7 & 8 ?

10) What are the right of the seller in relation to goods, for an unpaid seller

11) Discuss the provisions of transfer of ownership as per section 26.

12) When can condition be treated by warranty. Differentiate between condition and warranty.





Q.9) Effect of destruction of Goods

Section 7

Where the goods are specific in nature, and are destarayed prior to agreement to sale, without the knowledge or fault of the feller, the agreement to sale is noted, due to impossibility of performance

Section 8

Where the goods are specific in noture, and are destroyed after the agreement to Sale but before the sale is effected, without the fault of the buyer or the feller, the contract of sale is void due to impossibility of performance.



Q10)		
	where the seller is an Unpaid Seller, ie has	
	not received valuable consider ation for his	
	goods or port there of shall have the	
	goods ar port there of shall have the following sights in relation to goods:	
	Right of Lien - Lien sueferus to the suight to suchain	
	possession of goods, when the property in goods has been transpoored to buyer, the	
	goods has been transferored to buyer, the	
	lien can be excencised in the fellowing cases	
	I - where the buyer is insolvent	
	C - goods one sold without any stipulation of credit and amount not recieved. (ie. Cash bale)	
	c - goods are sold on credit and the previod of credit has expired.	
	Right of Stoppage in transit	
	- where the goods are torousit and the seller is	
	unpaid, the seight of stoppage in tocareit can be excorcised under following circumstances	
	De excisicises and en journing circumsterices	0.0001.00000000000000000000000000000000
	T - Goods one in transit	All Molestommolyc
	I - Buyer is Insolvent	
	P — Pouce is unpaid	
	Seller has poorted civits possession of goods.	QI
	Right of Resale	LA DM
	v 0	
	· cuhere the goods are perishable the seller can resale the	
	goods cuittraut any notice to the buyer.	
	 However in the obsence of any communication of resale the seller shall be Ineligible to recover any loss on resale and shall referre any profil-mode on resale to the buyer. 	
	the seller shall be Ineligible to recover any	
	loss on seesale and shall return any profit made	
	on resole to the buyer.	
	· Provided that where the contract of sale does not	
	provide any notice to be green as the fact of gasale is mentioned on the contract, notice shall	
	jusale is mentioned on the contract, notice shall not be required.	
	in the required .	

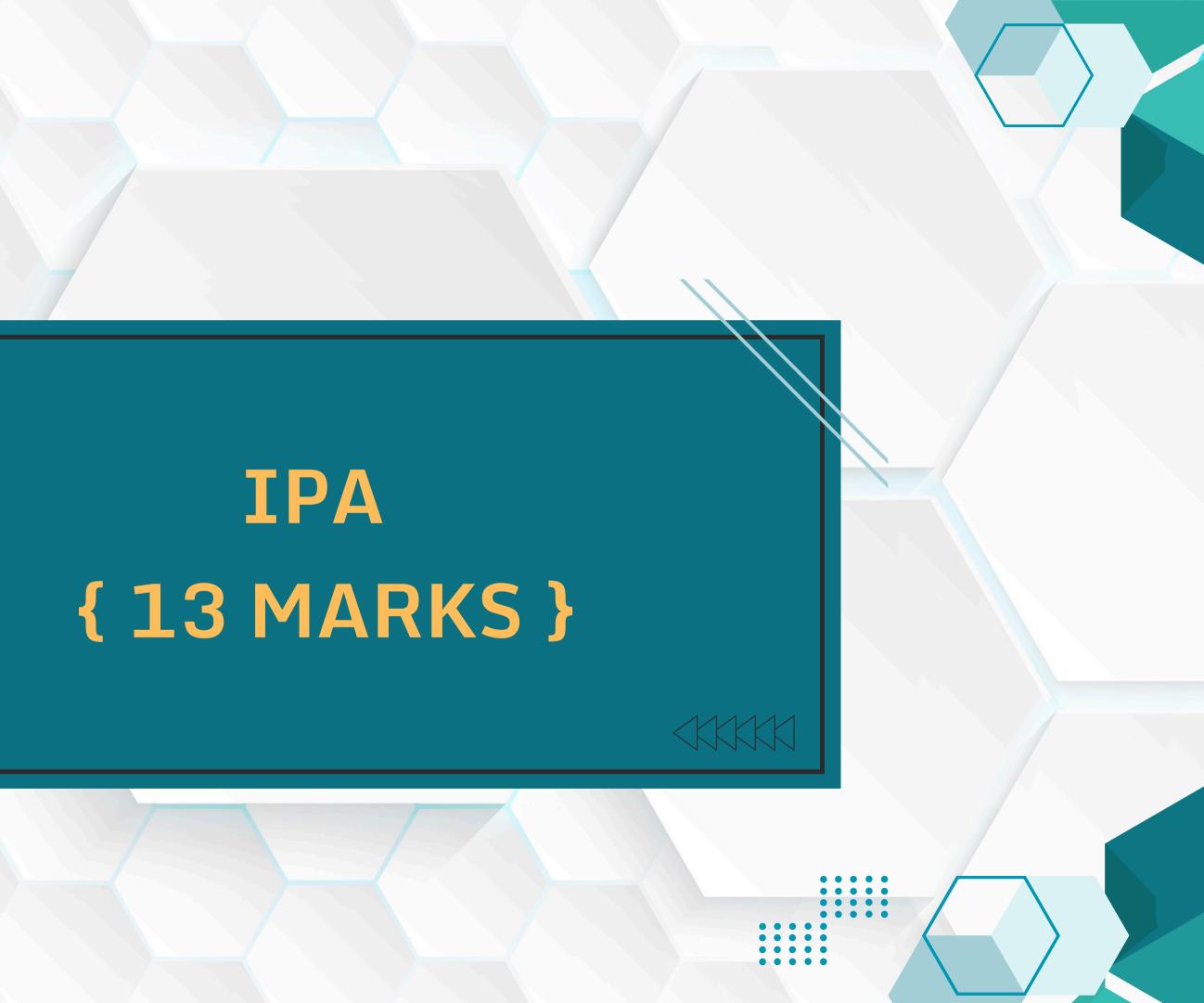
ÛÛ

austion 11

Section 26 Unless otheremise agreed upon, the sisk related to the goods is townsferred to the buyer, when the property there in is townsforred to the buyer, iscrespective of where delivery is made on not. Provided that where delivery is deloyed due to fault of the buyer on the seller and it seasults in domage to the goods, the party in default shall be liable for any loss which might have occurred. Provided Judhon that, the above provisions do not offect the suights and liabilities of the bailee.

following point	loveronly can be differe s.	
John J. I		
Boris	Condition U	Wassianty
0		
Meoning	A-condition ts	A maronanty & collateral
V	2 Stipulation essential	Stipulation to the
	to the main purpose	main perpose of
	of the contriant	Controct (2(3)
Right for Breech	The condition if	Where the ceessionly
Right for Breach of Contract	The condition if voilated can	is voilated con
() com per s	greguet in	result in
	termination of	damages in favour
	contract	of the buyon,
		U V
Conversion of	A breach of condi	d Connet be tocoled
Stipulation	may be treelec	d Connet be touoled
	og beboch of	of breach of
	alarviarty	Condition.
Condition can k	toponted as cense	yanty condexthe Dollaning
Coules.		routy corder the fallouing
w- where the	beeyer has valuentabily	cuoived the performance of the condition for his occur benefit.
	J	
I - where the	reveloumonce is excuse	ed by law or impossibility
of performance	2.	
-		
<u>S</u> - alhere the sale	e contract is non	severable and the buyer
has excepted	the goods either	acholly on a post therefore
	Carle la	touch boundly of a station
	weather electris to	treat breach of condition pts damages for any loss
F- alhere the	and and and	nte damana las dun los





- 1) Distinguish between dissolution of firm and dissolution of partnership ?
- 2) What are the consequences of non registration ?
- 3) Expulsion of partner.
- 4) Rights & Liabilities of a Minor in partnership act, 1932

Poortneveship

01)			
		Dissolution of	Dissolution of
	Bosts	Dissolution of Portructuip	Dissolution of Portnewship firm
		•	
	Continuation	It does not offect	It involves
	of business	the continuation of	discontinuation
		business, it	of portnership
		is called reconstitution	
1//		of business	
COW			
banayegi	Onder of Count	It cannot be allested	It can brought
		It cannot be affected by order of the court	show her the count
FSt		for the	cepon by the court to desolve the
/		10004	
			finm
	Winding up	It does not involve	If involues creinding
	V	winding ap of fixm,	up and complete
		only revoluation of	realisation of Arrefs L
		Asselfs and liabilities	
		⁹ S done.	Webilitiee
	Final Closure of	It does not involve	It- involves final
	Booky	final closure of Books	Clasure of Books of accounts
		Books	of accounts
			0
	Scope	It may or may	not It- necessarily.
	- upc	result in dissolution	
		l lium	descolution
		of firm	of portnership
		X Full of 1 Arm	
		X puil Silent Arm	
		&	
		X Prov Likha Firm	\sim
			<u>n -</u>
		X. Con- Continue	
		Corvirant	



QQ)	Registration	of	Q	partners hip	firm	is	not	Compulsary	
					N				

- under the Indian Portnership oct 1932. However under
- Section 69 non registration results in following
 - Consequences:
- (i) No buit in a Civil Court by firm or other partness against third party - An unregistered firm cannot bring any action against a third party for any breach of contract against the firm on any of the partness of such annegistered firm
- (ii) No seelief to partness for claim of sett off If any suit is brought a gainst the firm, then niether the firm nar lite partness can claim any sett off, other liten scupees hundred.
- (iii) Aggerieved partner cannot being any legal action against the fixm - A partners of an unregistered fixm <u>Connot sue</u> any of the partners or the fixm to recome the amount due to him or his Share to the fixme property.
- (iv) Thind portry can sue the firm even if the firm is unregistered in nature.

What are the rights non affected even if firm is unregistered?

- (i) The third party can sue the partners of firm.
- (ii) The sight of a partner in case of dissolution of the firm to claim settlement of his show in property of the firm
- (ITI) The power of Official Assignees, Receiver of Count to release lite property of the incolvent portner of the firm.
- (iv) The sight to sue to claim set off up to \$100
- (v) The seight of the Legal executor to sue the firm for recourses of shore of deceased portner



Answer3 A partner may be expelled from the partnership firm subject to: @ removal is in good faith ie for benefit of the firm E (b) express provision in the agreement allouning such removal (C) majority of the positness support such removal However the test of good faith shall be guided by : -9674362447 (message) - Shaanguptatkd Ce_Shaan_gupta The explusion must be in the interest of the partnership The postner expelled should be given a notice Given an oppertunity of being heard.

 According to Section 20 of the Indian Pontavalian According to Section 20 of the Indian Pontavalian Act 1922, 2 million connot be admilled as a pontave of the bunglik of Pontavalian i) Popular - a mine has the project to Share product of the firm. - A mine has the project to Share product of the firm. - He has the relight to access books of accesses of the consol are the projects of the firm. - He consol are the provided to second the Share of the consol are the provided to second the Share of the consol are the provided to second the Share of the consol are the provided to second the Share of the firm. - On altaining majority, he may within a provide of second and second and second and the second are the provided to contract. (i) Unblikes (ii) Unblikes (iv) The Vision and the her second has share of profits. (iv) The Vision and the her second to her share of profits. (iv) The firm. (iv) The firm. (iv) The Vision accord to her share of profits. (iv) The firm. (iv) The firm.<!--</th--><th></th>	
Act 1932, a minor counst be admitted at a portra of the frion, however, a minor counst be admitted to the benefits of Portravelip i) Rights - 6 minor has the stight to share possible of the frian. - He has the stight to accuse books of accounts of the frien. - He counst sue the postrova to secour his share of predits in the form, but can only do so of the swaling his connection with the form. - On attaining majority, he may within a period of six mentis, determine culletter he wither so and minor. (i) Unite from. (b) Minor has no perior listicity for the debite of the from.	
Act 1932, 3 minor cannet be admitted as a portree of the firm, herveuer 3 minor canbe sidmitted to the benefite of Pertneretiep i) Rights - 6 minor has the selfet to share possible of the firm. - 6 the host the selfet to access books of accounts of the firm. - 16 host the selfet to access books of accounts of the firm. - 16 host the selfet to access books of accounts his share of profiles in the form, but can any do so of other substing his connection with the form. - 0n abaining majority, he may within a period of six mentres, determine art settime as a minor. (ii) tabilities (ii) tabilities (ii) tabilities (ii) tabilities (iii) tabilities	According to <u>Section 30</u> of the Indian Poolnevelup
of the frien, housever a minax can be signified to the benefile of Bertnerelip (i) Rights - A minax has the slight to shake profile of the frien. - He has the slight to accuse backs of accounts of the frien. - He cannot five the posteria to second his shake of profiles in the form, but can andly do so officer substing majority, he may author the form: - On attaining majority, he may author to continue os major posteria for second for second his shake (i) Itabilities (a) The Rightly extends to his share of profile (b) Minor has no parson liability for the debte of the firm, during minority.	
 to the benefits of fautnesseliep (i) Raples - A minor has the seight to shake prostile of the. from. - He has the seight to access books of accounts. at the form. - He connot size the powheres to seconer his shake. of the form. but can early do so siter sensity his connection with the form. - On attaining majority, he may within a puredod of six months, determine, calletter he wither to continue os a major pothers or settine as a minor. (ii) Usbilities (b) Minor has no person liability for the debte of the form durating minority. 	Act 1932, a minor connot be admitted as a portnor
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receiver int snorte of the minor Guly.	de clare d'insoluent, ra Official Asignée con
	recurres ince snorre of the minar only.



- 5) Under what circumstances can a firm be dissolved by court ?
- 6) Effect of Public notice and nature of liability in case of retirement.
- 7) Provisions of transfer of interest under the partnership act
- 8) Discuss the various types of partnership basis of time & purpose.

Q 5)	The Count under section 64 can interment to
	dissolve the firm under the following circumstances
	5 5 J
(බ	Jasanily lansound mind - where an active portner,
	has become permanently unround beyond
	recovery, then the other portness can
	disolve the from.
	v
(ه)	Postmanent incapacity - Where an octive partner is
	physically disabled, that too of a
	permonent notwer, then the other
	portners can call for dissolution
(3)	Misconduct - arere a portrue is quilty of any
	Conduct or words spoken or weitten
	not necessarily in the conduct of building,
	but bruings bad repute to the firm,
	the portners can call for dissolution
	by misconduct.
(6)	Persistent breach of Agreement - where a partner
	fails to carry out business of the first in
	a neasonable manner on is involued in activities
	like en bezzlement, evron eous accounts, holding
	more cash in hand, missepresenting accounts
	Of be firem.
	v
(ଅ)	Transfer of Interest - l'unere a postner hos transferred
	his interest in the free to other person
	without consent of all partners, the
	firm can be dissolved
(අ)	Perpetual losses - cureore the fisch has incurred
	continous losses are a substantial period
	the freem can be dissolved
၂)	
	of Ite opinion Hat
	- à deadlock in monagement
	- where the portness are not in taking terms.
	- Lois of Substructum
	- Grambling on Stock Exchange



Q6)	According	to	Section	32	Q	IPA	1932	
	J				V			

- Retruement of a	positner le volid only on a	
0	by the setting postnere, in	
the obsence of 2	public Notice sufficiement is	
inoperative.		

- On the date of Rublic notice, all liability for toconsactions post refinement extinguishes, however like positrue continues to shay liable for transactions entered in the post, however a contract can be entered between third posty, portners and refined portner discharing him from all liabilities

02/



Section 29 transfer of Interest deals with the sight of 2 partner to transfer/sell mortgage pledge his interest in the firm in favour of the transfire however the transfire shall have the night to share profix and lasses but cannot is partraipate in the conduct of business cii) inspect the books of Accounts makes copies of the boulds Ciii) Provided that, where such transferor retries, deceased on on dissolution of the firm, the transfree shall investigate the offairs of the business to determine the share in the property of the firm

The following are the two kinds of portnership on the bosis of time:-Section 7 - Partner slip at will when i) nofixed verified has been agreed upon by the duration of portnership and, (ii) There is no provision made as to determination of time of portnership A portnership atuill may be dissolved by any portner by giving notice in avoiting to all other portners of his intention. Poutnership for a fired period - Where a provision is made by a contract for the duration of the portnesship is called fixed posided partnuship. It is automatically dessolved on completion of fixed period but if continued, it is suggested as partnership at will. It can be dessolved poilor to fixed porcial by consent of all partners.

9) Liability of partners in case of misapplication of loan funds. { IMP for Case Study }

10) Rights & Liabilities of Nominal Partner?

11) Define Implied Authority, and discuss acts outside implied authority.

(19) According to Section 27 of IPA 1932, where the
lunde of the firm are misulilised by poulous of
funds of the firm are misulilised by portness of the firm the consequence sholl be as follows:
(a) where 2 partner has acted within his suthority
and received money of any third
and received money or proporty of any third poron and the same is in his custody or
not.
(b) Such money ar property has been <u>misulilised</u>
by the portures of the firm or any of
the portion
If the amount or property is sequired by the
J V J J
poutners in the name firm, the firm shall
be liable for repayment on mis application
Exception
·
where a postner has acted outside his outhouty
then the liability personal and niether the
fium nor the other partners are liable.



A Monunal Poortner 18 a partner asho lends his name to the portnerslup firm, does not contribute to star copilal of star firm non engaged in distribution of profils 2 horres but Shall be responsible to the outsides for all lizbilities orising to star firm.

According to section 19 seed with section 22 of the

ĮΡ	Ą	193 <i>2</i> .

An act of the portness is considered arithin Implied authority when such toransaction

С (2) common in the course of business. U (b) purformed in the usual manner N (c) name of the firm.

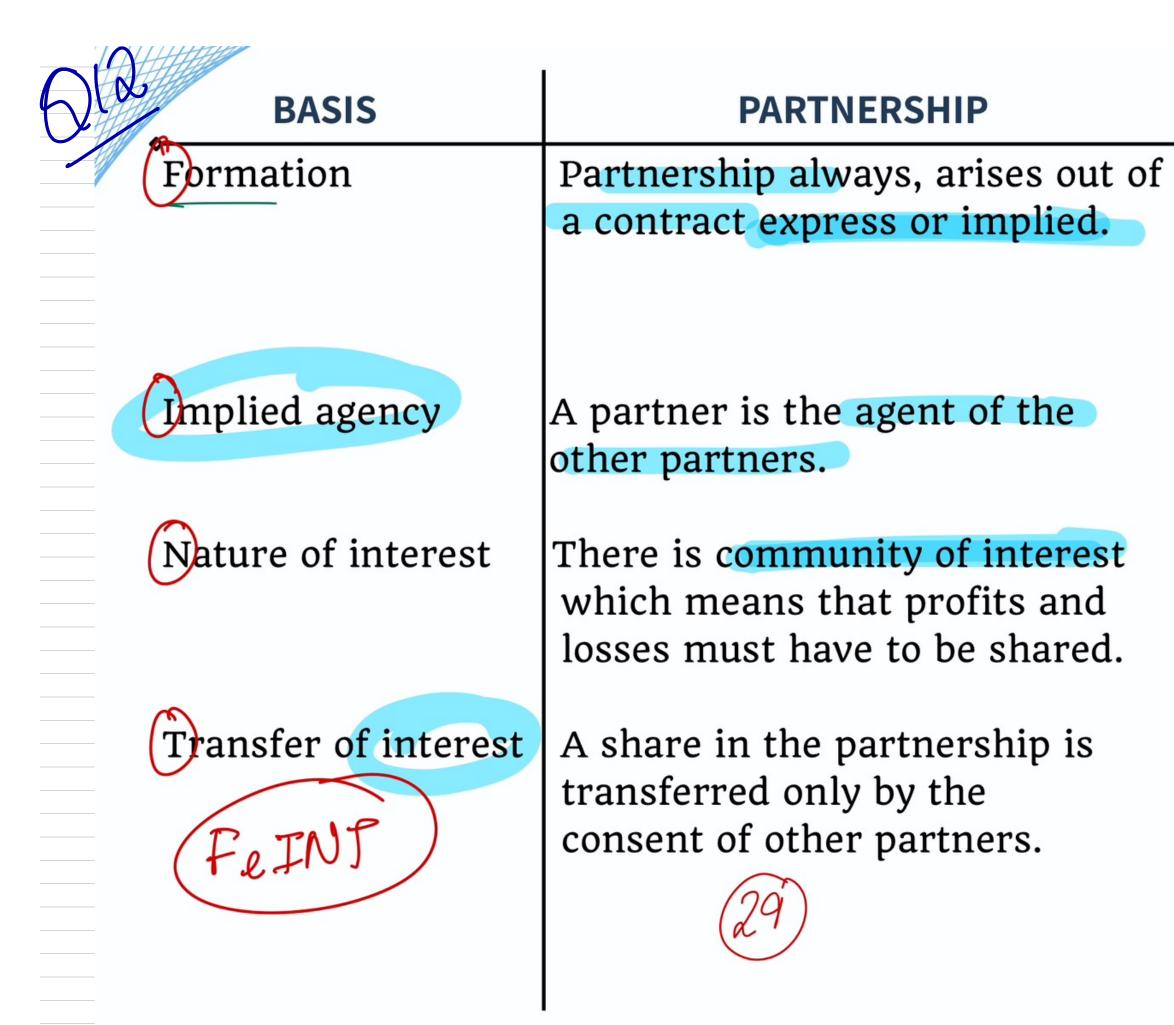
Acts cuittin implied Authority	Acts Outside Implied Authority
	IPL World Cup
cis he may sell and pledge property	a triansfer Immouble property final is played
	between Delhi
of fium mouable	(b) acquires Immousple property and Bangelore
- J U	
(ii) he may buy goods on	(c) enter in a Portneyship on behalf of firm
account of positnesship	
	(d) admit liability in a suit or proceeding on firm
(III) borocow or contract	
payment of debts on	(c) cilithdraw a suit or proceedings which is in name of a firm.
behalf of firem.	
	(f) Compromise of relinquish any claim or portion of any
(iv) he may draw, sign, endorse	claim.
negotiable instrument on	(g) Submit any despute in aubitration.
behalf of the from.	
	(b) Opening the frem's Bank account in own name

QII



- 13) Sharing of profit is not conclusive evidence in the creation of partnership
- 14) Discuss the provisions w.r.t. personal profits
- 15) Define partnership and name the essential elements for the existence of a partnership as per the Indian Partnership Act, 1932.

12) Difference between Partnership & co - ownership



CO - OWNERSHIP

Co-ownership may arise either from agreement or by the operation of law, such as by inheritance.

A co-owner is not the agent of other co- owners.

Co-ownership does not necessarily involve sharing of profits and losses.

A Co - owner may transfer his interest or rights in the property without the consent of other co-owners.

~	
Q (3)	Merre Sharing of Priofit does not create portnorship
-	it is a pourna focie enidence of creation
	partnership
	It is a grential element of portnership but
	It & 2 essential element of portnorship but not a conclusive evidence of portnorship
	(Inder the Pollouing caree the struing of mulit
	Under the following cases the showing of profit does not result in portnewslip relation
	· bu a londer of mousing charge in the events of
	· by a lender of money having share in the prefits of the business.
	· by a securant on agent on salary.
	· by a widow or child of the deceased.
	· by a previous ocurrer of business as a
	• by a previous ouver of business as 2 consideration for sale of goodwill.
	ju, suc of gooda
	The absence of an careemant cannot youth in
	The absence of an agreement cannot result in a partnership, even if there is shaving of
	availité
	profik.



426

A partner in a partner ship from can make search profit using: (a) name of firm (b) use of firm & property (c) transaction of the firm (d) use of connect ion of the fixm. it shall be the duty of the partner to account for such profit to the other partners of the firm. (b) portners (an do competing business but portners will be required to shore all the profits duising from such business with the existing firm.

16) Explain the following term under The Indian Partnership Act, 1932: (A) Partner by holding out

17) (i) When the continuing guarantee can be revoked under the Indian Partnership Act, 1932?

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

Q16) According to Section	n all of the Indian Postnevelup Act 1930	2	
	0		
A fourner by	holding out is also known as		
portnership by	holding out is also known as estoppel. (prevented from denying) by his conduct or by words		
Where a person	by his conduct or by yourds		
Spoken ar wa	itten or by renresentation brom		
other portner	itten or by representation from a discloses himself to be the		
onthey of the	, lign shall become necessally		
lichie lar a	un credit aluen to the lorm		
on the bosts	, fixm, shall be come personally my credit given to the fixm of such representation		



Q17 (i) According to section 38 of IP.	A 1982, where
the poortness have given 2 continu	
On agreement.	
0	
Unless Otherwise stated under	an agreement,
the continuing guarantee shall	
on refirement, death or insolu	ency of any
of the positnose.	
0	
(ii) Grooduuill as contained under	section 14 of the
portnership Act 1932, Goodie	ill is easy to
condexist and but difficult f Goodwill is an asset of the separately sold by the fixm.	o define.
Goodwill is an asset of the	firm and can be
sepurately sold by the firm.	
Goodwill can be termed as	the unique feature
of the business, which helps	the busines to attein
more than normal profile from	the other firm
operating in the market.	
J	

30 mins

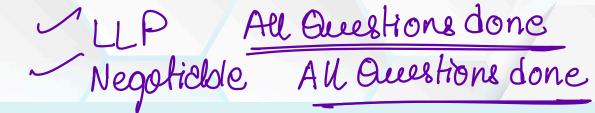
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Resume 1:00pm

Indian Contract Act Insta follow CA-Shantam Guupta X GKG







In all Questions of LLP start by giving definition of LLP

- 1) Define fallowing characteristics of LLP Act 2008
 - Body Corporate
 - Mutual Agency
 - Foreign LLP's
 - Artifical Legal Person

2) Difference between Partnership and LLP ?

(8)

pol ferson - A LLP is an artifical Legal Person created by law, it provides its LLP all suights of a notwal person, other than sight to marry, divorce or jailed for any offence. A LLP is created by Law it is intengible but not fictitious.

Ball LLP Portwarding Prim (3) Regulating Act LLP Act 2008 Reduced up Act (3) Body Corporate LLP is a Body If it is not a (3) Body Corporate LLP is a Body If it is not a (422 Corporate Body Corporate If it is not a (3) Body Corporate LLP is a Body If it is not a (4) Registration Registration is Corporate (4) Immiled upto this Liability of the Iability of the (5) Immiled Liability Immiled upto this Iability of the (5) Name The name of the LLP No guidelines. (6) Septede legal LLP is a body exiting Postner and the (6) Septede legal LLP is a body exiting Postner and the (6) Septede legal LLP is a body exiting Postner is (7) Mukual Agercy Gowa Pordner Puero Postner is (8) Republed Succession Death, inscrify, in			Adesh chor	de Bhai
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(7) Mutual Agency Every Portner Every Portner is is the Agent of all the LLP other portners		Differ a we	ontrus	
is the Agent of all the LLP other portners				septime content to
is the Agent of all the LLP other portners	(7)	Mutual Agency	Every Portner	Every Portner is
			the LLP	other portners
(8) Perpetual Succession Death, insonity, Death, Insonity, insolvency				
intal a surdau di anti-	(8)	Perpetual Succession	Death, insanity,	Death, Insanity, insolvency
insolvency of portner			insolvency of po	ntners of partneri

results in dissolution of the firm does not offect the firm

3) State rules regarding registered office of a limited Liability and change there in as per provisions of LLP act 2008.

4) Discuss the procedure for registration of a LLP act 2008 - Simple

Q3)

- According Section 13 of the LLP Act 2008, every LLP is
required to have a registered office capable of
recieving all communications and notices as may
be sent to the LLP by registrian
J '

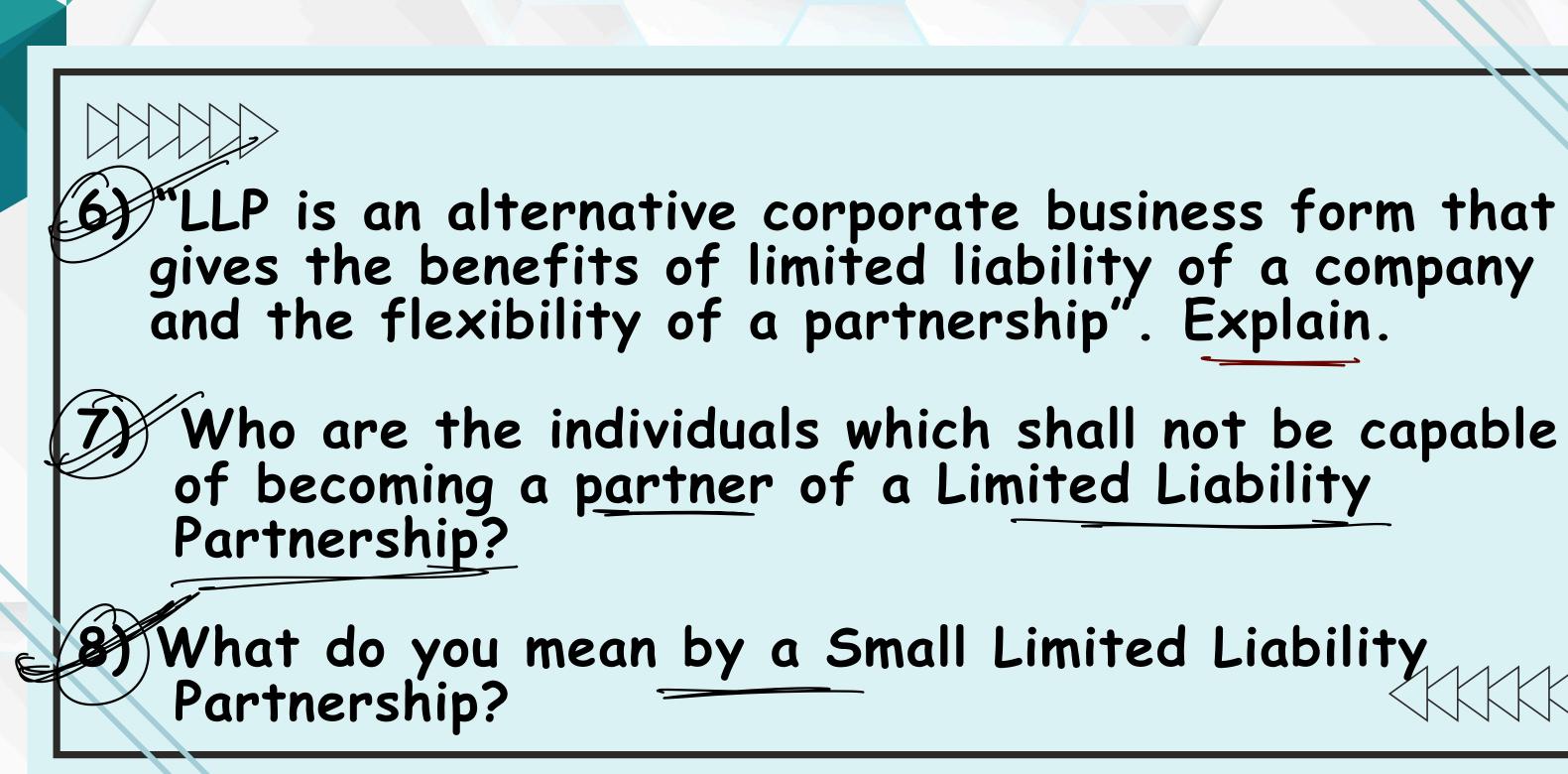
- A docoment sent by registered post by designated portner or other portners Containing the address of the LLP, addressed to the suggisterior of the state
- Where 2 LLP changes its registered office the fact shall be communicated to the registman of the state cuithin 30 days of Such change.
- If the LLP contravenes any provisions the portness and the LLP are liable for 2 penalty of 500 per day maximum up to 50,000 each for LLP and its portner.

5) Dyana and Bharti, newly qualified chartered accountants, wish to form a Limited Liability Partnership (LLP) to provide their professional services. They seek information about the provisions of The Limited Liability Partnership Act, 2008, specifically regarding the incorporation document. Additionally, they want to know whether the statement filed along with the incorporation document serves as sufficient evidence that all legal requirements for the incorporation of the LLP have been fulfilled. Explain these aspects to them.

2 (ahumo

According to Section 11 + 12 of the LLP Act 2008,	where the requirements promided above are
the registeration of a LLP require the following	the registrian shall retein the incorporation
documents:	and issue the suggest scalion confifecte with
a two or more partnew associated to carry on	of submission.
a lought business and to shore profile, shall form	0
2n in corporation document.	The negistrution contificate is conclusive e
	registeration.
(b) the incorrection document shoul be filed with the	•
Registron of state, where the registered office	
of the LLP is located, along with requisite feer.	
(C) The incorporation document Shall be occompained	
by a statement in presoubed form made a	
either a CA, CS, CMA or an Advocate, who is	
involved in the formation of the LLP	
Confirming that all the matters incidental	
and ancillary to registriation are complied	
with.	
(d) The incorporation document shall contain	
· nome of LLP	
· place of business of UP	
the proposed business of LLP	
name and address of designated	Portney
. name end address of designated . name end address of other port . such other matters as may be com	ney.
. such other matters as may be com	municated

complied with on document, thin 14 days	
on document,	
thin 14 days	
0	
euidence of	
J	





0.6) LLP is an alternative corporate business Vechrole, which promides the benefit of limited liability to its portners and has flexibility in its internal structure.

Limited hisbility - Every partner of LLP has limited lisbility, towards the actions of the LLP. The lisbility is limited to the capital contrubution and firm itself is lisble to the full extent to its out.

Flexibility of a partnership - The LLP manages and controls

its business operations by reorganising its internal etructure based on the agreement mutually entered between partness. UP is suitable for enterprises who want to establish a business havings benefits of corporate bodies and flexibity of partnership.

LLP Stools

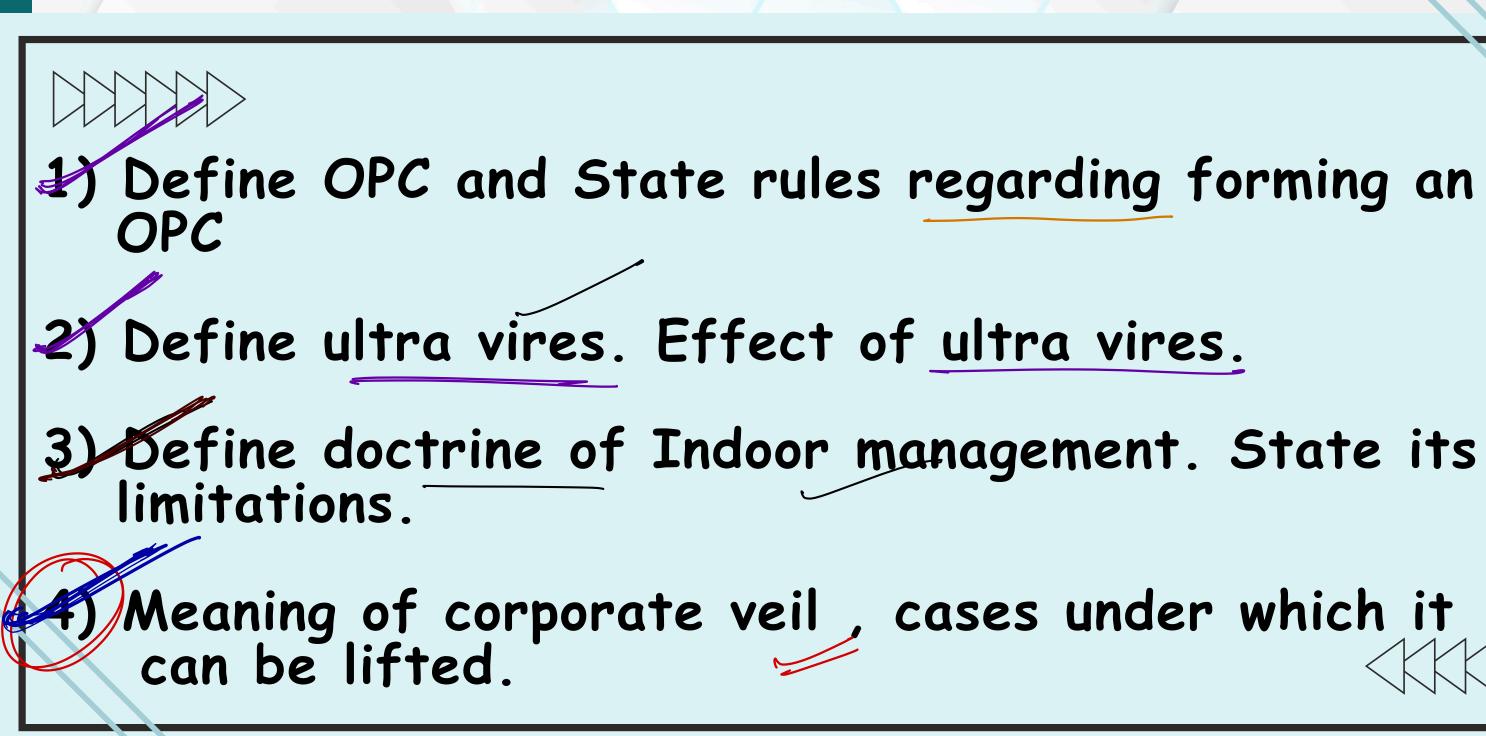
Small Limited Liability Poortnovship is defined under	
Section 2(1)(+a)	
It means a limited Liability Portnership —	
J	
is the contribution of partners, does not exceed	
twenty five lakes rupees or such higher amount	
as may be prescribed not exceeding five crores	
Example Limited Lisbility Poolnowship is defined under Section 2(1)(tra) It means a Limited Liebility Poolnowship — is the controlibution of poolnows, does not exceed twenty fire lakes ruppees on such higher emount as may be prescribed not exceeding fire crores and iii) the twonover of which, as pertite Statement of Accounts and Solvency, for the Immediately preceeding previous year, does not exceed foody take ruppees or such higher emount as may be prescribed not exceeding fifty crores suppees. Ot (iii) meek such other conditions as may be presoribed	
(ii) the two of which, as per the statement of	
Accounts and Solvency, for the immediately preceeding	
previous year does not exceed forty laken supres	
or such higher anount as may be prescribed	
Section 2(1)(ts) It means a Limited Liebility Partnership — (i) the controlibution of partners, does not exceed twenty five latter supers of such higher amount os may be prescribed not exceeding five errores and (ii) the twenover of which, as perthi statement of Accounts and Solvency, for the immediately preceeding previous year, does not exceed fasty lath supers or such higher smount as may be prescribed not exceeding fifty crores supers. ot	
OH	
(iii) meets such attres conditions as may be presoubed	





COMPANIES ACT {13 MARKS}





Companies Act 2013

01) According to section 2(62) of the Companies Act-2013,	(‡)	The OPC	Connof	- perform 2 Non banki	business	of on I	westment	
an one nexton company is a enality from of avirate.		anhard			y gridiad			
an one person company is a special type of private	B	The OPC.	can -bu	eely Conve	out itself	into a	public (
Company with one member.	0	or a p	ocivate	eely Conve Company	other dt	han a s	ection & c	ompony.
The scules for the forunation of OPC is as follows:	(4)	The men	nber is	the dined	or of the	e <mark>Compan</mark>	<mark>щ</mark> .	
1) Only an Indian citizen, being a natural person, whether one	(0)	The 🔽	name	Shall inc	lude the	words	OPC	09
(1) Only on Indian citizen, being a natural person, whether or not resident in India, can form on OPC in India, where he has stayed in India for 20 days in the immediately preceeding previous financial year.		One	Person	Compane	Į ·]		
				eq. CE	SGr (OPC) P	vt-Ltd		
2) The member shall <u>appoint</u> a nominee who shall also					SGr (OPC) P CSG Put	ltd		
be an Indian citizen, whether or not sesident in India, but has stayed in India for 120 days in the immediately previous financial year, other than minor.								
3 A person can be member of only one operate a time however can be eligible to be nominee in another OPC.								
(4) The member can change the name of the nominee, such Change does not gresult in alteration of the memorandum of								
Association.								
(E) Thomas is no pointing control and have an ADC								
(5) There is no minimum capital prescribed for an OPC.								
6) The OPC can includge in any business activity, for the purpose profit only.								

(9674362447)→	AOA MOA CO Ratify
	Cole1 × × UV ×
Q2) Doctruine of Ultro Vires, states that beyond the powers	Carel × × UV × for oven extending Care 2 IV UV IV (Resolution)
of the company.	case 3 UV IV IV (SR in Meeting)
It is based on the popular case of Ashbury Railway	Cose UV UV IV (Resolution)
Coorriage VS Riche.	
Any Activity autich is beyond the scope and power .	An ultre Vixes transaction is not binding on the
of the directors and the company one culture vieres	company any property acquired by company
to the company.	company any property acquired by company does not belong to it.
The Effect of an celture visces transaction is	
08 fallours :- ((onsequences)	• The Outsider can bring an injunction Order ie.
U	restrain order to restrict the use of any
· Any tocons oction which is Ultra Vires the memorandum	Sum or property 2cquired by company
is void ie. with out any legal effect.	conder an cellaquisies.
· The Company can niether sue or be sued on an	· where the company has utilised the money
altre vixes transactions.	acquired to pay a lawful debt, the outsider
	Steps into the shoes of such creditor
· Such a focusaction is null and void in the eyes	Steps into the shoes of such creditor in relation to company.
of law.	
J	
· An act which is ultravixes the company cannot be	
rotified even with unanimous approval of all members.	$((\neg))$
1	
· However an act which introvines the company but	

- utravines the director can be ratified by paring a resolution by members.
- · If an Act is ultravises the Axticles, but intravises the Company then can be scalified by Special Resolution in meeting.



9674362447

The Doctruine of Indoor Monogement is an exception the
Doctroine Constructive Notice
It is based on the famous case of The Royal British Bank
vs Turquand, also known as the Turquand "Rule.
The doctrine makes the internal management of the
company seesponsible for offairs related to the
ongoing operations within the company. The doctrine
protects the outsidery, from any negligence on part
profects (tre outsiders, from any negligence on part of the company. The company "indoor offairs are the
company ^s Problem

Exceptions to the doctrine of Indoor Management

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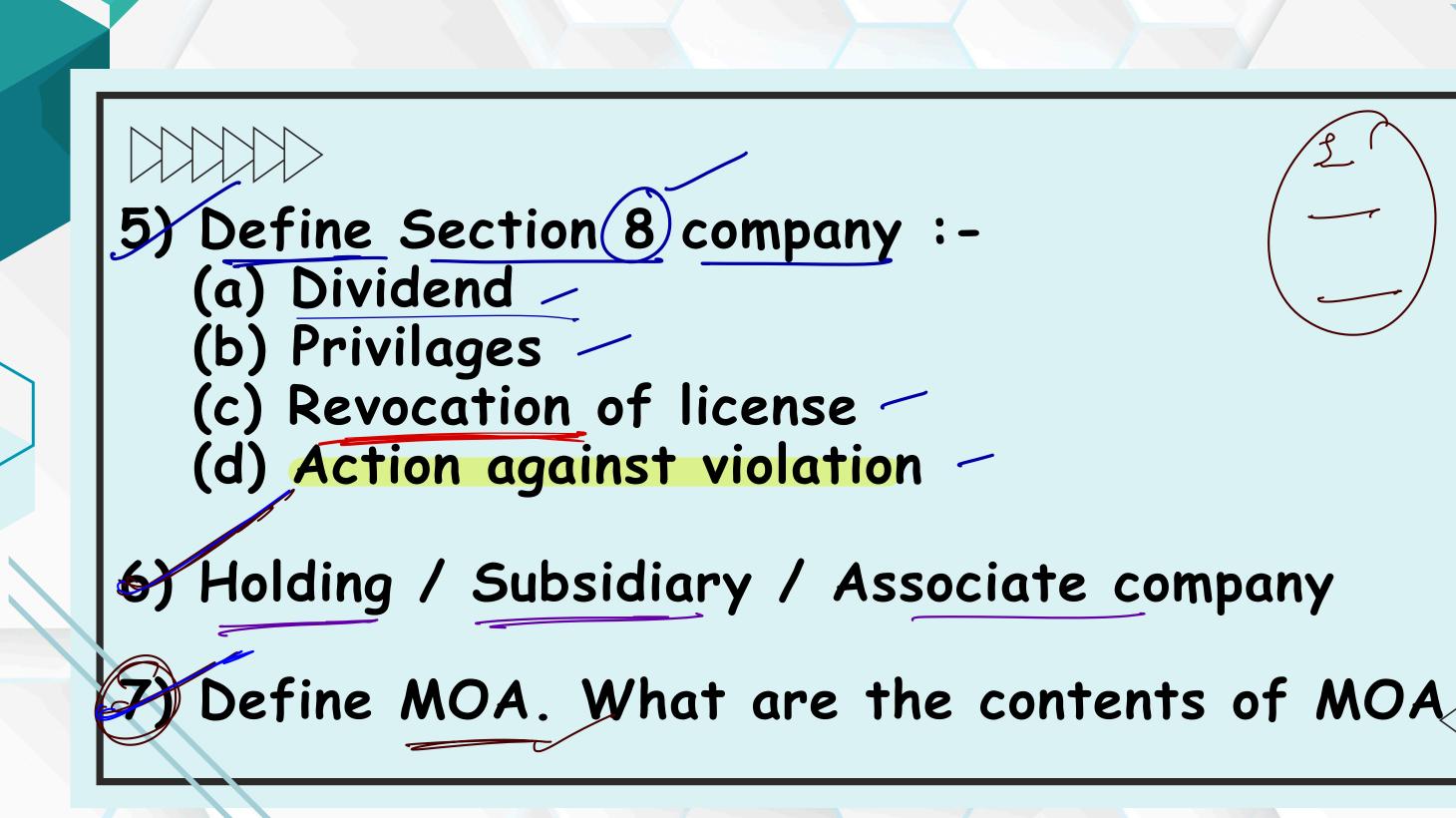
Actual or Constructive Knowledge of irregularity - The rule provides no profection to an outsider, where actual or constructive knowledge of irregularity is usible.

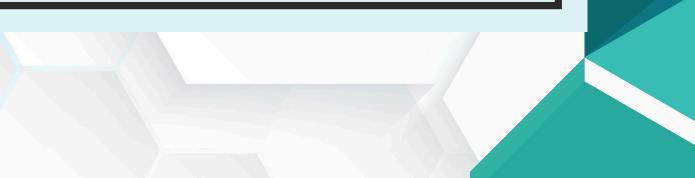
(2) Suspicion of Isoregulosity — The doctrine in no may, protects a person who has been negligent in dealing with the company and failed to investigate isoregularity

Forgery - The doctrine of Indoor Management doer not apply to forgery, since forgery against the company is a nullity. ٩

and hence its status was revoked as the veil was lifter
Q4) Componente Veil is the Seprate legal existence of the company
(independent of its members. The Corporate existence in case of Merchandise Transport Limited us Bruitish
transport Company a subsidiary was used as agent
provides a shield which protects the members to obtain a license on which the holding
Company was conducting business, since use of
from any action against the company. It provides company without any physical establishment is
prohibited un der law tre veil was disregonded
a corporate insulation to the members. (5) Company formed for frond limproper conduct - where
It was held in the case Salomon VS Salmon Coltd. Company was used as a medium to sdopt illegal
or improper use to defeat the provisions of the
The exceptions to the comporate veil one cases law, the entity behind the veil was held
responsible (Gliford Motors ve ttorne)
where the court can autrorise lifting up the
Corporate Veil to punish the one is who misufilised
the provisions of the act:
(1) To determine the character of company ie. whether its
d co-energy or friend, held in the case of Deilense up Constrantal terre & Rubber Co- where the
Dailmer us Continental typice & Rubber Co, where the control was in the hands of the nationale which
belonged to an enemy, the court lifted the
control was in the hands of the nationals which belonged to an enemy, the court lifted the Componete Veil and suspended the operations
(2) To protect revenue /tax - held in the case of Dinshaw
Maneckjee Petit, where the assessee in order to
evade tax lizbility, formed sham private companies to Joan out funds from these
companies back to the assessee was treated
companies back to the assessee was treated as an avarangement to <u>Circumvent</u> tex liability,
08 the veil was dis regarded
(2) To a 1 local Oblighton - Ocabella de estas of sectors and a
(8) To Avoid legal Obligation - As held in case of workmen employed in Associated Rubber factory, where the company formed a
subsidiory to toronsfer funds acquired by investment to
avoid legal obligation of payment of bonus, the count
avoid legal obligation of payment of bonus, the count investigated to determine that the subsidiary was formed
menely to transfer profik from the booke of the holding Co
·

uos lifted.	
0-1-11	
As held	
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agent	
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e of	
ngonded	
unore	
illegal	
al the	
illegal of the eld	
20	







 \mathcal{D}

(25) According to Section 8 of the Companies ACL-2013	
(d)	On revocation of license the registerior shall
A Non Broglit Organisation is a company engaged in	altoch the words private or Limited to its
the field promoting out, science, culture, religion,	name, as the case may be.
commerce, spork, education etc, involved in promotion	, ,
of public welfone.	The Central Groupsonment, here referred to as the
U ,	Tribunal can order for winding ap of the
a Such a company connot declare dividend to its members	NPO or amalgametron with another NPO
any sweptus ouising from its activities shall be cetilised	having Similar objectives, after gluing an opportunity
in the promotion of its objectives.	of being heard
	0 J
(b) the poinilages of a section & company one as follows:	The officers if involved in fraud shall be lieble
	Canden Section 447.
. it operates under a license of the Centrual	
gouvenment	
· on account of which shall not be required to	
ottoch the words "private" or "limited" to its	
hame.	
· no requirement of minimum capital, as nothing has been	
prasocibed.	
· can call 2 general meeting at 2 shorter notice of	
14 days instead of 21 clean days.	
· no requirement of minimum disectors.	
· independent directors are not required to be appointed	
. there is no such requirement to compose 2 nomination	
Ind Remuneration Committee or Shareholders Stakeholders reduced	
Committee.	
· a partnership firm con be @ member of a section & company.~	
(c) The licence under which the NPO operates can be	
removed under the following circumstances.	
0 1	
P - does any activity against public welfore.	
, j j	
R - NPO fails to fulfill the scenwirements of the act	
0 - Objectives of its formation are voilated	
F - Ifairs of its NPO are conducted in a fraudulent	
monney.	



Q6) According to section 2(46) of the Companies Act 2013

A holding Company is a company having one or maxe subsidiary companies.

A subsidioury company in selation to any other company means 2 company where such other company holds 2(87) ci control over the composition of the Bossed of Directors or, (ii) exercises or controls more than one holf of the total

voting power of such other company on ite own or together with one or mare subsidiary.

Associate company defined under 2(6) of the Company act-2013 means any company in scelation to another company, holds significant influence over the affairs of the other Company, includes 2 joint venture but does not include 2 subsidiary company.

Brovided that, significant influence shall avier from holding atteast twenty purcent of voling power

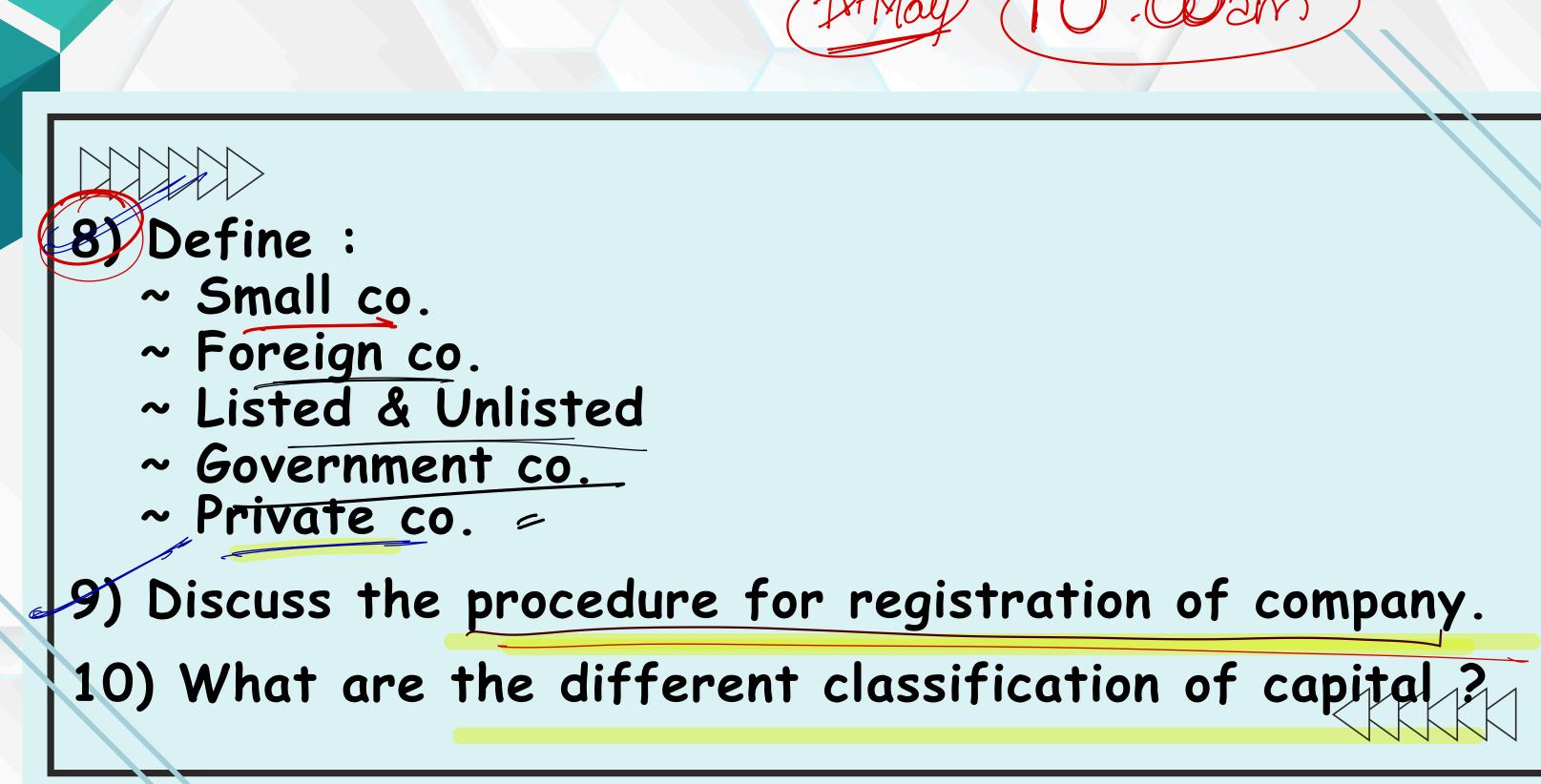
Provided further that, the voting power shall be understood in relation to

- Equity Share Capital

- Convertible Brefsience Share Capital

convertible debt (NO) Prefrense Shore Capital NO 2 Pereference Str Capital Not corregin VR (no) ٢ Presprence &h Capital cuitter VR (Ver Ú) Connextible Brief 8h Capital (Yes) (\boldsymbol{S}) 6 Anil Itd <u>GOY</u>, Binod Itd 207. XNO Arrociate e) · v ~ X ctd 0 50 60× , Ŧ Bined 4d Anil Ltd ٩ 60 NO 707. × B RKULTO 60 %. Binod Ltd (S) 8 Anil Ltd C Chain 70*1*. ٢ RKG

Q7) 2(56) of the Companies 2013 defines, the Memorandum of (b)	the state in which the registered office of
Association. The MOA is-the choster document of the company	the company is located
which defines the scope and powers of the company.	
· It contains the objects for which company to formed (c) the objects for which the company has been
· A company shall not cross such objects on voilate	formed is contained in the Object Clause
Such powers in the course of business.	If the name represent the trade of goods or
	Services in which the company is engaged
. The shareholdow should be Zurore of to were of the	then with change of treade the name shall be
foct that where their money is invested and the	Changed in Gmonthe.
suisk of taking such Investment.	
م) 🗸 🗸	1) the liability of the members of the company
Section 4	whether Limited by Shares, or guarantee
presents the content of the memorandum, which is	or unlimited shall be stated in the
	memorandum.
Included in the following clauses of the MOA.	
	e) the amount of capital with which a company
(a) the name clause which contains the name of	is registered ie. Authonised capital is contained
	this clause
company with or without the words private	
•	(f) the detail of the first subscribers of the memorandum
this clause does not apply to section 8 company.	alongwith these holding in the company is contained
	in the ossociation Clause.
In case of 2 One person company the word	
	In case of an OPC, the name of the nominee
	shall be contained in the association clause, however
CAL	Change in nominee does not alter the memorrandum.
UKULAL	Paink





Unlisted Company is a company whose securities one not listed on any recognised stock exchange in India

(a) According to Section 2(85) of Ha Company Act 2013	(d) A company shall be treated as a government
A small company is a company other than public	Company under <u>section 2(45)</u> of the company act
Company	V
is where the paid up share capital does not exceed	where not less than filly percent of the total
four coveres or such higher smout is may be	
prescribed not exceeding ten crores	paid up shore capital is held by
and i	
(ii) the twonouser as per the balance sheet of the immediately	· Central Grouwment
preceeding financial year does not exceed forty or	
such higher amount as may be prescribed not	· State Growenments or
exceeding hundred crores.	
Critecting nondred (ridred.	· 2 combination of CG and SG or one or more
and it does not include	a contraction of col and col are at mate
	State government and 2 subsidiory of government
	goudannou and a social of your minut
- section 8 company	
- company sceqistered under special act.	ic also a <u>gavenment</u> company.
(b) According to Preling R(1) of C	
(b) According to section 2(42) of Companies Act 2013 2	
foreign company means à company incorporated	Provided that, the total paid up shore capital shall me
outside India but has a place of business in	
India	total voting power.
- either physically, electronically or by 2n Agent or	
- by any other means.	(e) According to Section 2(68) a prevuate company shall me
c) According to section 2 (52) of the Companies Act 2013	- 2 company berring minimum paid up copilal. Of organ
alisted company in a company where leavilies are	- 2 company having minimum paid up capital as prese
a listed company is a company whose securities are	- and the orticle ghall anomide the falls a grade
listed on any of the recognised stock exchanges in	- and the outrcles shall provide the fallowing scentre
India	Charles to a la a subra
	. restricts transfer of securities
Provided that, any company which is under the process of	
getting listed, such a company shall be treated as	· maximum members shall not exceed two hundre
a listed entity. (eq. bost (0Y0) c Debt	opc it is one.
a listed entity. (eq. boat (0Y0) c Debt s Equity + Equity Jaise CBred	
Provided function that, entity whose securities are	Provided Hal
those mentioned under 2(81), of the Companies Act	is employees who acquired shores during
shall be categorised as listed entity. (eq hyundia)	are holding such securities and
NCD/NCP ->>	(ii) employees whose employment has ceased
Also that, a company which is in the process of lieting	and continue to hold gecuvities a
Such class of security (Other than 2(81) Shall be	during such employment.
treated an unlisted company	- / ' U
	(iii) inint holdone aball be muside

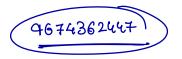
- (68) a preivate company shall mean
 - minimum paid up capital os presori
 - hall provide the fallowing scotocit
 - of securities
 - us shall not exceed two handwed
 - jees who acquired shares during holding such securities and ees whose employment has ceased continue to hold securities acq g such employment.
 - joint holders shall be considered (iií)

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	· Prohibits	18sue	of.	Shares	to 📭	velolic.	
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employment,							
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Q9) According to <u>Section 7 of</u> the Companies Act 2013, the following procedure shall be followed for incorporating the company	(3) The certificate is a conclusive euidence of registration
following procedure shall be followed for	
incorporating the company	(4) Companies Shall maintain all original copies of document submitted for acquistration.
	document submitted for scepisfication.
(1) Filing of the following documents with the negistrar	
	CoseStudy
. the memorandum of obsociation and ordicles of	Company has submitted false information during registration Action
 the memorandum of official and orbiticles of association, singed by subscribers of memorandum 	Action
· a declaration by a person cuto is engaged in the	() where the members and officers have submitted in
lownation of the company (an advocate, a CA, a CS)	Cí -
formation of the company (an advocate, a CA, a CS or CMA) and by a person named in the ortides of the company of a directore, that all requirements	which contains any incorrect material lack or have
of the company as a directory, that all requirements	which contains any incorrect material fact or have Suppressed any material facts at the time of
in this act for sequences has been complied with	suppressed and indicated juice and internet
	incorporation, the registrion shall punich such
· a declaration from each director and first members	
stating that:	Invouled under section 447.
c - 211 information in the memorandum of association	(2) where the registrion recives any intimation
and outicles is correct and fair.	
F - none of members or directors have been involved	incorporation of the company and commen
in any fraud in lost five years related promotion,	ley mation
or management of the company	of business that these has been mat
0 - has not committed any offence related to prom	of business that there has been mat
	mistalemente al fante ita leaxtury.
or monogement of the company.	mistatements of facts, the registerior.
· iddress for correspondence till office ru	egistered punish members involved ander section 447
the particularie (names surnames regidential	proof, the company shall be liable for act
 the porticularis (names, surnames, residential nationality) of every subscriber of memorial in case of a company details as may be 	adum
in case, of a company details he may be	required deemed neccessary by tribunal, alter
In the of a company between the prime oc	required. deemed neccessary by tribunal, after q
. the continuous (names swinames, residential	, proof, an opportunity of being heard. The tribun
nationality, and director identification number) of	- the
 the particulars (names, swinames, residential notionality, and director identification number) of persons whose names are present in the orthogonality 	icles of poss following order
ossociation.	of point formation
	(a) a change in the segulation and
· disclosure of directorship interest, if any.	(a) à Change in Itre sægulation and of the company as required in publi
	g in winnerig as saying the second
(a) The negistrian on the basis of documents submi	ilted (b) direct liability to be unlimited
above shall arout the confilicate of incorporation	Conteining
(2) The registriar on the basis of documents submi above, shall grant the configurate of incorporation the corporate identification number of the cor	npony. (2) removal of nome of the compa

<u>'on</u>	(d)	orden	for	winding	up of	Haz	Compe	Ŋ	ଡ଼୳
	(e)			orders					
[6]									
(6 ion?									
in formation									
ve J									
J r <mark>officers</mark>									
n, after									
ence ment									
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Shall									
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giving unal can									
management									
olic interest on									
Deny Or									
/									



alo) The Capital of the company can be closified as	
follours.	
v	
(a) Nominal or Authorised or registered Capital - I- is the maximum	
amount with which 2 company is	
registered in the memorandum of anocistion	
stegistered in the memorandum of attacistion It is amount estimated by the company for	
its functioning.	
(b) Issued Capital - It is the post of authorised capital	
issued by the company in the	
moviket for subscription, it is disclosed	
(b) Issued Capital – It is the poort of authorised capital issued by the Company in the moorket for Buberniphon, it is disclosed in the financial Statements.	
· · · · · · · · · · · · · · · · · · ·	
(C) Subsocibed Capital - Subsocibed Capital is the amount	
of shores subscribed by the people, ie	
of showas subscribed by the people, ie. applications which were duly alloted with	
bewuikter.	
(2) Called Up Capital - It- ie the total amount of	
Fore volve colled up by the company	
(c) Paid Up Capital - It is the total smount on	
shaves paid up by the Shaveholders to cohom	
shares allofed.	

All India Test Our Level 3
Hel India 1886 Our Level 3
How to Analyse Marks
rands
Less than 20 months - Serious Problem focus on DQ
(Revision) +
try to Pn crease
Speed
20 marks - 30 marks - Satisfactory Just Bractice
2 Case Study
+
1 DQ Learn
+
Revise
30 mortes - 50 mortes - On track Continue with
bosics you
are doing
well
50 + moules - Excellent Just do not
Stop.

Write in brief the content and model of the Articles of Association (AOA), according to which the director and other officers are required to perform their functions as regards the management of the company, its accounts and audit.

12) whether it is mandatory to have common seal for the company? If not, then what are the other options available as per The Companies Act, 2013?

(11) Autolog as talk at all 26) all the Comma S. Actal012 Earne of autolog can be adopted down table E & HTT
Q11) Articles as defined uls 2(5) of the Companies Act-2013 · Forms of articles, can be adapted from table F, G, H, I, J
are the bye laws of the company. In Schedule I of the Companies Act 2013
It is theself of scales and scegulations, which are designed
for the internal Management of the Ifairs of the . Company registered prior to this act shall adopt
company.
The articles are subsidiary to the memorandum
The outlice is a business document hence designed
corefully and followed Strictly
Section 5, of the Companies Act 2013 contains provisions and
model for the articles of Association
· Contains suegulations of the articles of the company
· Contains acequilations of the archicles of the company for the management of the Company.
· Autricles can contain matteus given under companis
rules also additional matters can be included.
· Articles con contain an entrenchment provision
(to protect something) such that articles can only be
altered to make them more restructive in nature.
· Entrenchment can be included at the time of incorporation
or at any time after such incorporation in care
of a private Company by consent of all members whereas in case of a public company by a special resolution, lite registrian shall informed on including
whereas in case of a public company by a special
resolution, litre registrion shall informed on including
such entrenchment.

Q. 12) A company being an outifical person
by the puerpose of outhentication of 87664 69954
Q 12) A Company being an outifical person for the purpose of outhentication of 8766469954 documents requires a common real.
The Common seal is the Official Stonature of the
Company. Section 4 has been amended by
Companying Amendment act 2015, to provide
The Common seal is the official Signature of the Company. Section 9 has been amended by Companies Amendment act 2015, to provide Hist 2 common seal is optional and the
Companies can opt for signature of two directores or a director and a company secretory, where appointed.
directors or a director and a company
secretary, where appointed.



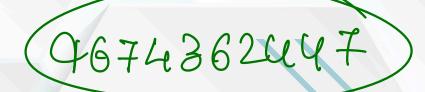
NEGOTIABLE INSTRUMENTS ACT { 1@ MARKS }

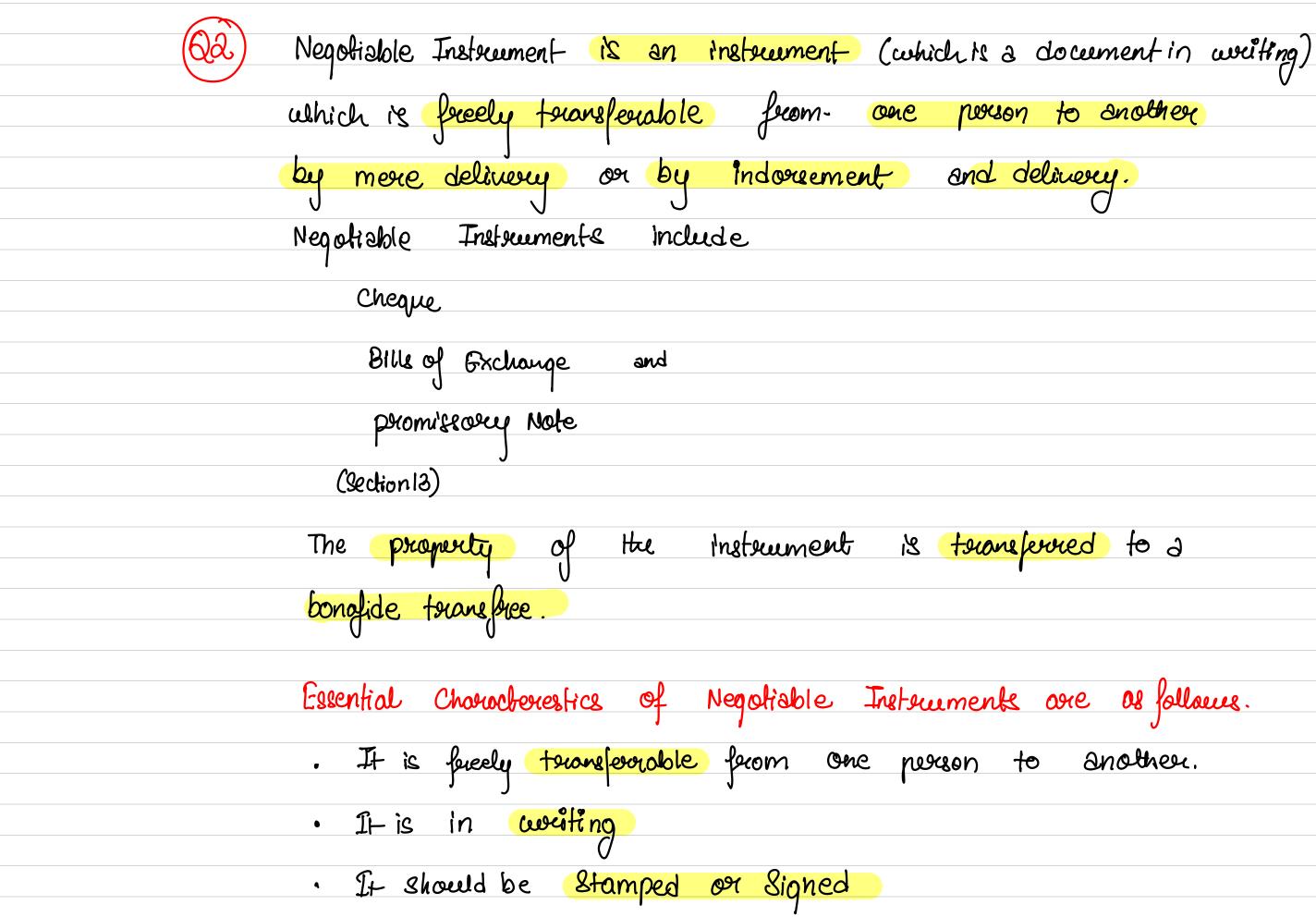


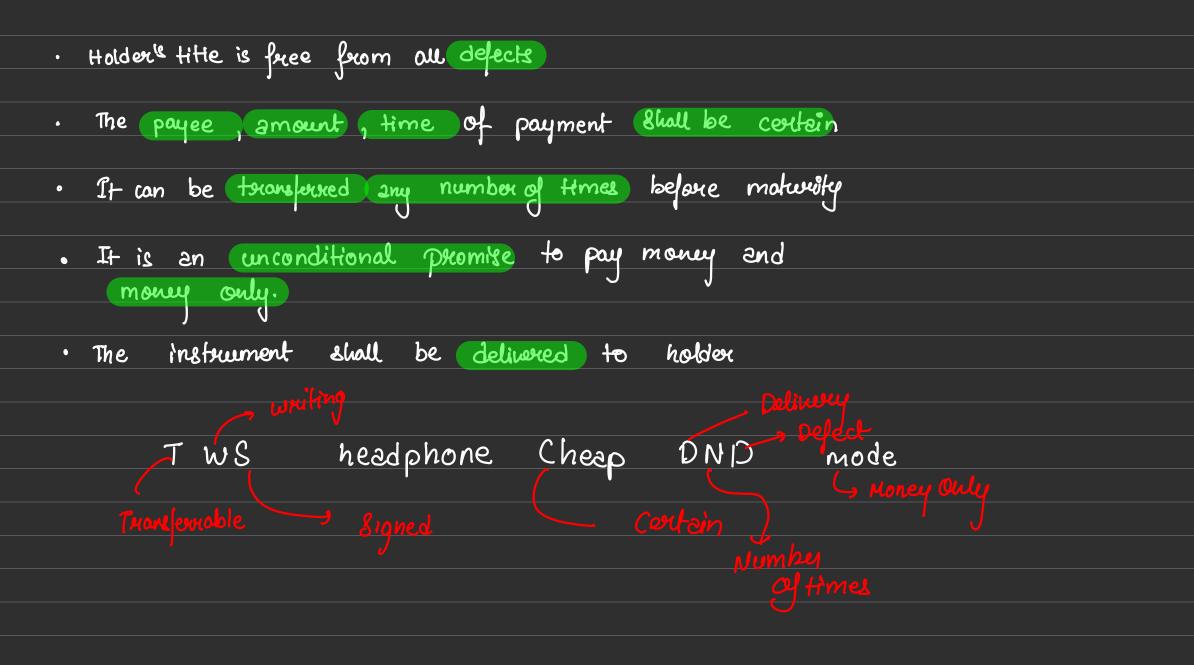
) Under what circumstance a promissory note is dishonoured without being presented?

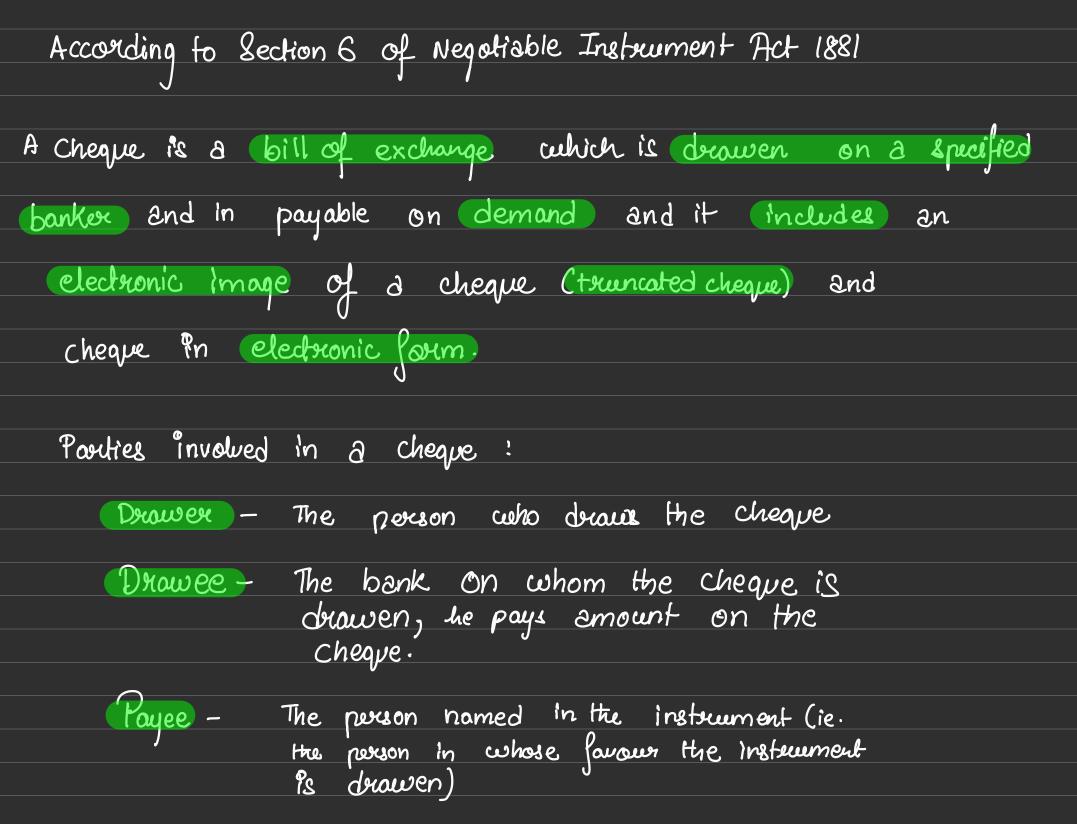
2) What are Negotiable Instruments ? Explain its essential characteristics under Negotiable Instrument Act 1881 ?

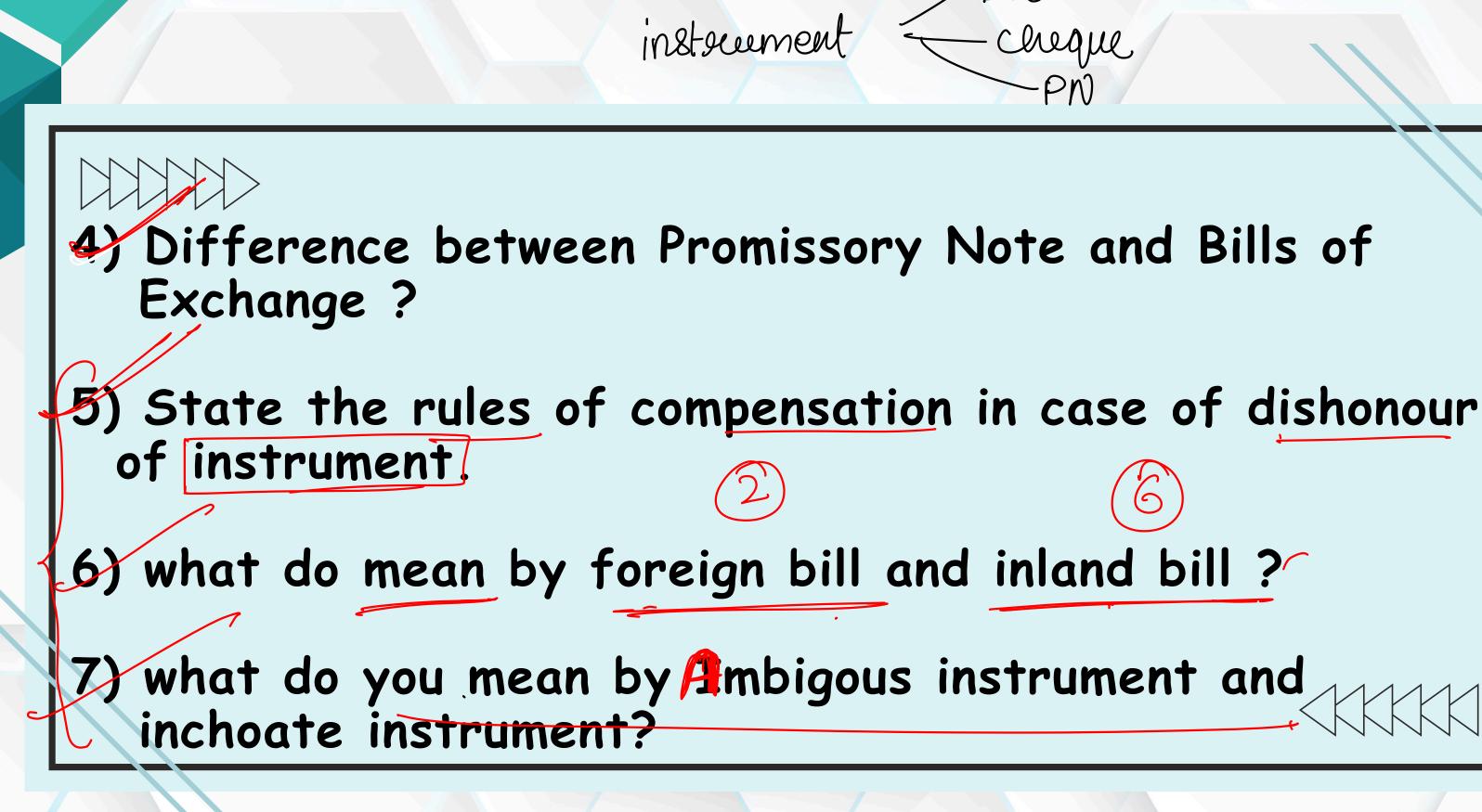
3) What is a cheque under the Negotiable Instrument Act 1881 ? Who are the parties! What are these essentials elements of Cheque











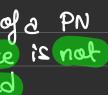
BOE - cheque

Bosis	Bills on Exchange	Promissory
Definition	A Bill of exchange is an	A Promissory
J	instrument in writing	is an instrum
	is an unconditional	in writing
	order, signed by	ing an un
	the monker, directing	undertaking
	a routain pouson	Undertaking bej maker,
	to pay a contain	certain Sur
		to the Orco
	Sum of money, to the order of d	the instrum
	person or <i>holder</i>	
	of the instrument	beonen of instruer
	U	
Nature of	It is an Order fan	6 21 HT
Instrument	making payment	to pay
	9 ' J	, ()
Poolies	In a Bill of Exchange	In a Pre
	Hore one 3 porties	note th
		two Poo
	Drowen	
	Drawee	Makeer
	Payee	Payee
	J	
Acceptance	A BOE requires	In case of
	acceptance from the	Acceptance
	draw ee	Acceptance required

Note
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Payable to	BOG con be made	A promissory
bearer	Payable to beaner	Note connot
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	however not on	bearen it is
	demand.	only issued
		by RBI in
		four of
		Cworency
		Note

Q5)

According to section 117 of the Negotisble
Instrument Act 1881
In case of dishonour of any instrument
by any party liable to its holder on any endrosee, shall be determined as
any endrosee, shall be determined as
follours:
follours:

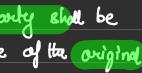
(a) the holder is entitled to the amount upon the instrument, together cuith noting charges, protesting charges if any, and presentment charges.

(b) when the person being sued for dishonour resides in 2 country different from that at which the holder is present, he is entitled to the amount of current exchange rate

(c) an endorseer who, being liable to pay amount due on the dishonoured instrument hos paid the same to the indrosee shall be entitled to 18% interest on such amount paid

exchange state.

ld) when the pouson	sued for dis honour	(C) the poordy	entitled to compensation	may	the dishonowing pour
	residing at a different	drow a b	ill upon the porty liste	e to	liable as in core
	ndrosee, the endroser		e him, such bill s		bill.
	payment at coverent		on demond and if dis		



According Section 1122 of the Negotiable
Instruments Act (881
Inland Instrumenk
A promissory note, bill of exchange on cheque
drown or made in India, on a purson
resident India or pay able in India is
an Inland Instrument
Example: Anil of India drew 2 bill in Mumbai, on
Romesh an Indian Resident payable in London.
· J
Foreign Instruments
A complete and bill of a values abased

A promiss ony note, bill of exchange, cheque which is drawen outside India on drawen in India, but on 2 person resident outside India and also payable outside India is a foreign Instrument.

Example 1. An Instrument drawen in London. 2. An Instrument drawen in Mumbai on James Resident of Socilanka, payable In Socilanka.

Q6)

QF) Inchoate Instrument

It means an instrument that is incomplete in certain respects. The drawer/moker/acceptor! indorser of a negotiable instrument may sign and deliver a blank instrument, which either completely blank or is incomplete, is called an Inchaste Instrument.

This instrument gives the holder the power to complete the instrument and abonefide holder in due course con complete the instrument upto the value of the stamp offixed on it.

The principle is based upon extrapped

The holder of such instrument cannot recover the Amount in excess of the amount intended by the person signing the instrument.

Ambiguous Instrument

Where an instrument may be constructed either as a promissory rate or bills of exchange, the holder may at his own selection treat it as either of the above. However once the selection is made the same cannot be reversed.

Full day Morathan 19th ____ April 12:00pm

& What is a Bill of Exchange? Also, explain its essential characteristics under the Negotiable Instruments Act, 1881.

Q10

9) A promissory note, payable at a certain period after sight, must be presented to the maker thereof for payment. Under which scenarios presentment for payment is not necessary and the instrument is dishonoured at the due date for presentment according to the provisions of the Negotiable Instrument Act. 1881?

What are the consequences of dishonour of a cheave? Which cases lizbility of section 138 does not apply.

Auording to Section 5 of Negotiable Instrument Act 1881

A Bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing 2 certain person to pay a certain sum of money only to or to the order of such person or to the bearer of the instrument.

Features of a Bill of Exchange (i) It must be waiting (ii) Cxpress order to pay or bearier of instrument.

(iii) drawer must sign the instrument.

(iv) the order must be definite and unconditional

(v) The sum must be certain.

(vi) The order to pay money only

(vii) It must be stamped.

(vili) the drawer, drawee and payee shall be certain.

Q8)

098-01

Presentment refere making the instrument available	
for payment on the due date. However under	
the following circumstances the instrument can be	
dishonoured (Section 76).	
(I)	
i) If the maker, drawee or acceptor intentionally	
(i) If the maker, drawee or acceptor intentionally (prevents the presentment of the instrument	
(P)	
(43) (ii) If the instrument is payable at his place of business	
(43) (11) If the instrument is payable at his place of business and such place is closed during business hours	
POINT (iii) It the instrument being payable at some altheor POINT specified place, neiltrer he nor his agent is	
POINT grecified place, neither he nor his agent is	
present at such other place.	
(iv) If the instrument is not payable at any porticular J111009	
(iv) If the instrument is not payable at any porticular JIVIOU place, and the parson is not to be found.	
(v) where the drawee of acceptor has paid a port of	
the smount due on the metriciment, his right to excuse payment on foilure of presentment is discharged.	
is discharged.	
(vi) If the drawer could not have sufferred any loss or damage due to absence of presentment	
any loss or damage due to absence of	
presentment	

S	

Q10 Dishonour of Cheque 7 marks 138/139/140	(e) The cheque has
4-5 montes 138/139	which is ille
	Charity section
According to section 138, 139, 140 which is applicable	• •
in cose of dishonous of 2 cheque states the following	Section 139
Condition for dishonour	
- where a cheque 12 dishonow due to insufficiency of	The holder of a
funds or stop payment	Ecquired the cl
- The payee on reciving Initimation from the banker,	lisbility howe
shall inform the drawer within 30 days, and the	rebutt dole
drawer shall be required to pay smount due on	
dishonour within 15 days from such initimation.	Section 140
- Provided failure to make payment within 15 days shall	
involve penalty under section c38.	It shall be
Penalty for dishonour	2n offence un
the drawer shall be liable for imprisonment upto 2	unauore 220
yeors or	Ite credit
· a penalty of twice the amount of cheque or	
both.	
When section 138 shall not be applicable	
a cheque is presented in the bank. ofter the validity	
(4) period of 3 months.	
(b) the cheque has been dishonowed for reasons other	
than stop payment or insufficiency of kinds.	
(c) the payee fails to inform the drawer within 30	
dous about the fact of dishonous.	
than stop payment or insufficiency of funds. (c) the payee fails to Inform the drawer within 30 days about the fact of dishonour. (d) the drawer makes the payment of the cheque	
within 15 days.	
un min	

967436244 grown been. for consideration legal or gift or in form 138 does not apply. a cheque is presumed to have cheque for a volid debt or even such presumption is RE BUTT ABLE (iske Khilaf bol sakte hai with Proof) no defence in a prosecution of inder 138, thet the drawer was bout the amount standing to of the account.



Thank You



