

Date - 28/03/2025

Business law

Ch. 03 → Sale of Goods Act, 1930 ÷ P

Unit. 01 → Formation of the Contract of Sale

Sec. 01, 02

1. SELLER

- Sale [executed Contract]
- ~~sale~~ agree to sell [executory Contract]

2. Good's

- Deliverable State
- Movable Property

3. Buyer

- who Ready to Pay the price for Goods

Sec. 01

Unit - 1 → Formation of Contract of Sale

Background :-

• Sale of Goods Act 1930 came into force on 1st July, 1930

• It is applicable to whole of India.

• where the Sale of Goods Act, 1930 is silent?

→ The General principle of the Law of Contract apply.

• The Sale of Goods Act 1930 applicable only to sale of Movable property.

Property! Sale of Immovable Property → Transfer of Property Act, 1882

- S.O.G.A, 1930 is applicable for sale of goods only.
- S.O.G.A, 1930 is Not applicable on other Transaction.

Gift Lease Pledge

1. SELLER

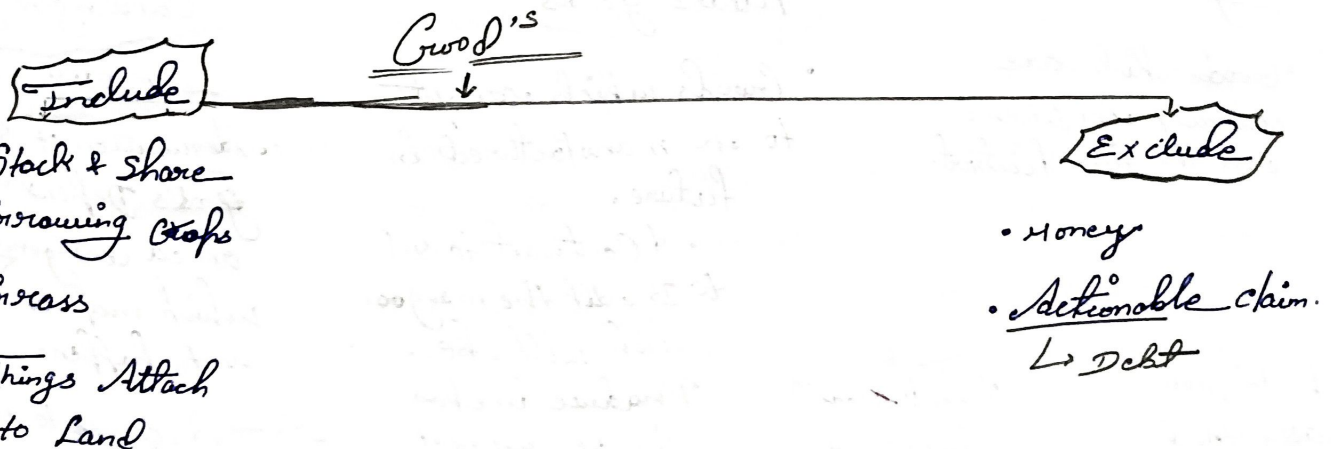
- Seller means a person who sell or agree to sell the Goods
 - Executed Contract
 - executory Contract

2. Buyer

- Buyer means a person who Buy or agree to Buy the Goods for a price.
 - Executed Contract
 - executory Contract

3. Goods

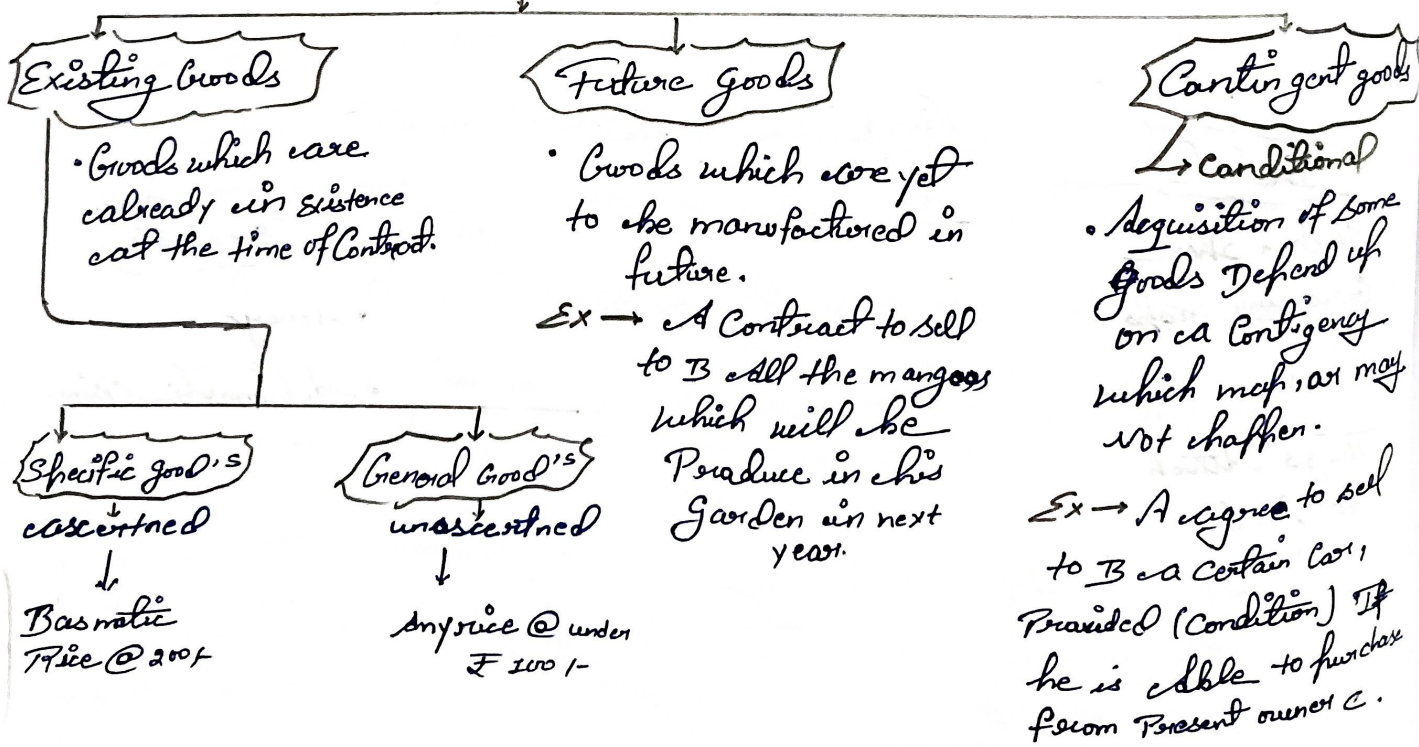
- Goods means every kind of movable property other than actionable claim & money.
[Debt]



Goods

- Things attach to land which are not movable, But Trees growing Crops, which can be easily sever from the earth before sale, Fruit, vegetables, flowers which can be separated from the Trees → are included in Goods.
- Livestock → Goods → Cow, Buffalo, Goat, etc.
- Patent, Copy right, Trademark, Design, are all considered goods, Because → It is a subject matter of Contract.
- Ship → also considered to goods water, Gas, Fuel.

Kind of Goods



Price

- Price is the money Consideration for Sale of goods.
- No sale can take Place without a price.
- Exchange of goods for Goods.
- Exchange of goods for Goods along with price will be considered as sale.

Property ————— (Sale)

1. General property → ownership
2. Special property → Interest

Sale of Goods Act, 1930.

Property ~~means~~ means the General property in Goods & not merely a special property.

Example :-

A who own the Goods Pledge them to B, then A has the General property in Goods which B has a special property.

Unit-01 → Formation of Contract of Sale Sec. 02

1. Document Showing Title to Goods

• It is document which shows the ownership of Goods.

Ex → Share → share Certificate → Document. — Sharing Title to Goods
Car → RC of Car → Document —

2. Documents of Title to Goods

• It is Document which is used as proof of the Possession or Control of Goods.

Ex → Dock warrant
Railway receipt
Bill of lading

• Mercantile Agent → Commercial Agent
↳ Business Helper

An agent having the customary course of Business as such agent.

Excluded → If a person is not carrying business as such agent, he would not fall under mercantile agent.

- 1 - Contractor
- 2 - warehouse man
- 3 - A Carrier (Transporter)
- 4 - servant
- 5 - A friend

Authority

1. To sell the Goods.
2. To consign the good for the Purchase of sale.
3. To Buy the goods.
4. To Raise money on security of Goods.

DELIVERY

• Delivery means voluntary transfer of possession from one person to another.

Ex → Theft of Goods
(Voluntary Transfer)

Kind of Delivery

Actual Delivery

when the goods are actually physically delivered.

Ex → seller sale & transfer Product for a price on a shop.

Symbolic Delivery

when a Delivery of thing in token of transfer of something else.

Ex → Handing over Document of Title Car Key Delivered.

Constructive Delivery

when it is affected without any change in the Custody or actual possession.

Ex → where a warehouse man holding the goods of A holds the goods on behalf of B, A's request.

Essential Elements of a valid Contract of sale

1. All the Requirement of a valid Contract must be fulfilled.

— valid offer & acceptance

— Competency of the party

Major

sound mind

not disqualified by law from Contracting.

— Free Consent

- Coercion x
- undue influence
- misrepresentation
- fraud

— Lawful object

— Lawful Consideration

2). There must be Two Parties of the Contract of sale.

1) seller
2) Buyer } Agreement to sale → Contract of sale

3). There must be some goods as a subject matter.

4). The property in the goods must be transfer to Buyer.

5). There must be some price for the goods.

6). A Contract of sale must be absolute & Conditional.

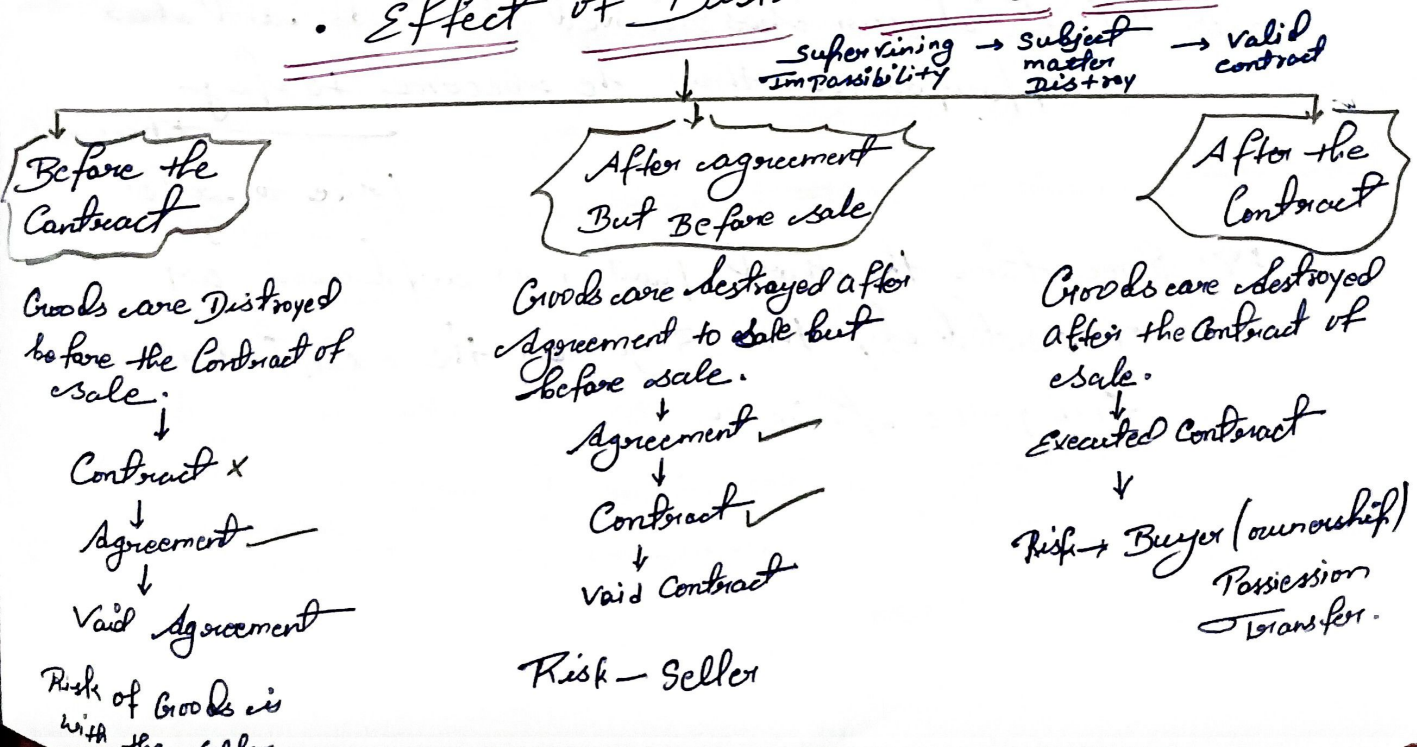
↓
C.O.D. { Deliver after 3 Day
 { Payment after 3 Day

↓
Sale / price

Formation & made of Contract of Sale

- 1> There may be immediate Delivery of goods But, the price is to be paid at some future date.
- 2> There may be immediate Payment of price, But the Delivery is to be made at some future Date.
- 3> There may be immediate Payment of price & Delivery of Goods.
- 4> There may be installment of Price & Delivery of Goods.
- 5> The Price & Delivery of Goods may be agreed to be made in installment.

Effect of Destruction of Goods



Modes of fixing the price

• Price means, consideration for the sale of goods

1). The fixation of price by the Contract of Sale.

2). The fixation of price in a manner provided in the Contract of Sale.

3). The fixation of price by Course of dealing.

4). The fixation of Reasonable Price.

5). The Fixation of price by third ~~party~~ party.

i). The party may agree to sell & buy the goods but on the ~~the~~ terms, that the price shall be fixed by the valuation of third party.

ii). If such party fail to make the valuation.
↳ void Contract.

iii). If the buyer has received the goods and has appropriated them he become to pay
Reasonable Price to seller.

iv). Some time the third party, is influenced or prevented by the Buyer or the seller from fixing the price.

→ The innocent Party Can Recover the Damages from Defaulting Party.