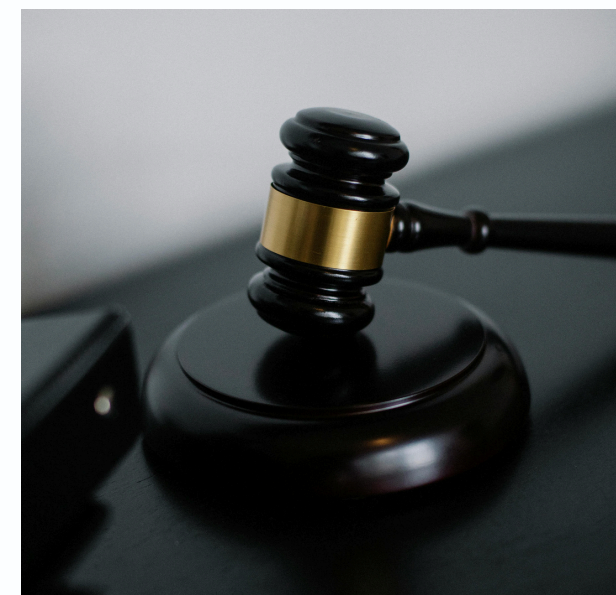
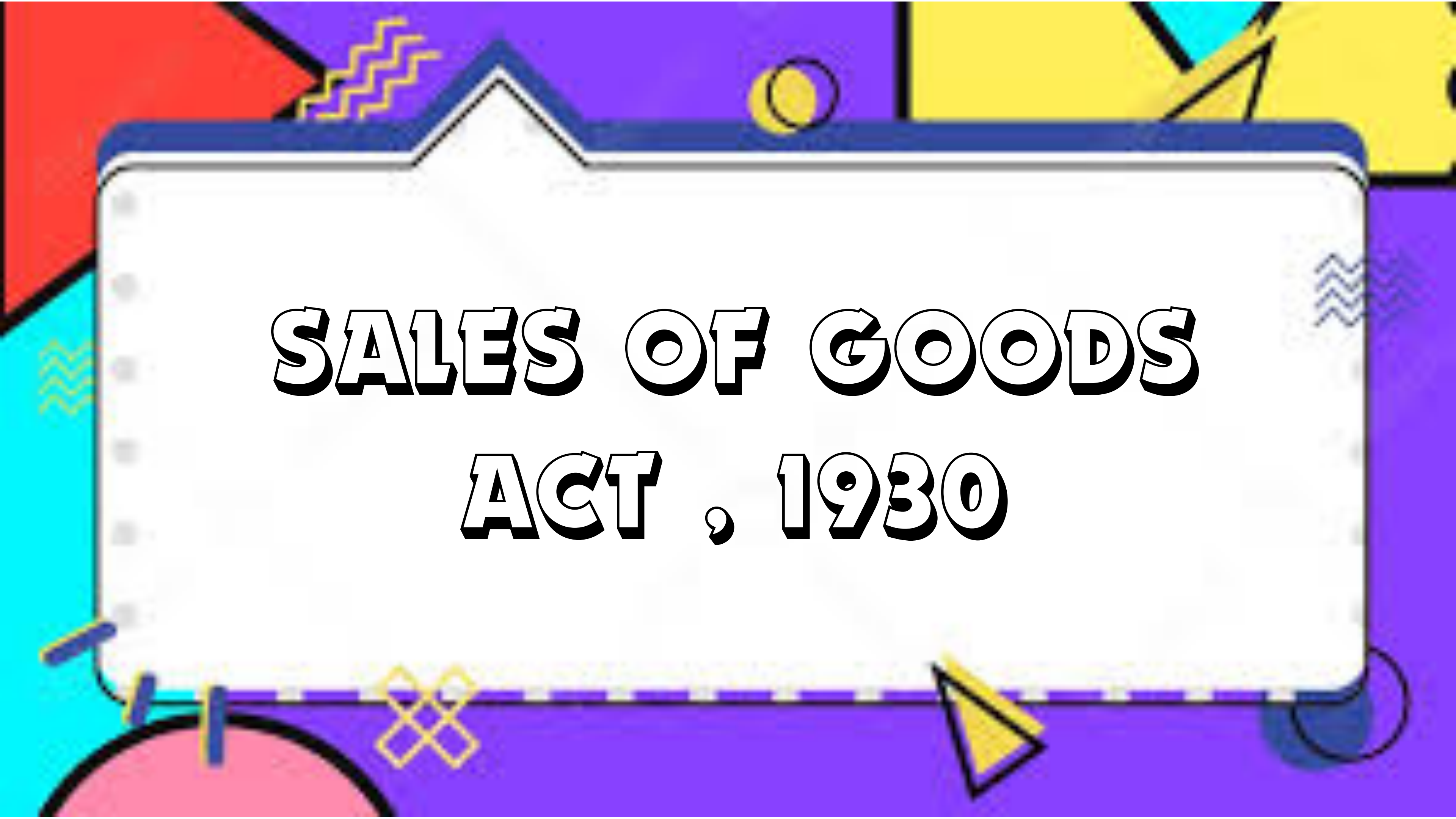




DIFFERENCE BETWEEN





SALES OF GOODS ACT , 1930



SALE VS. AGREEMENT TO SELL

*Property
Policies*

**ACRONYM :-
PNR hai NRI ke Rights**

BASIS

SALE

AGREEMENT TO SELL

Transfer of property

The property in the goods passes to the buyer immediately

Property in the goods passes to the buyer on future date or on fulfilment of some condition.

Nature of contract

It is an executed contract i.e. contract for which consideration has been paid.

It is an executory contract i.e. contract for which consideration is to be paid at a future date.

Remedies for breach

The seller can sue the buyer for the price of the goods because of the passing of the property therein to the buyer.

The aggrieved party can sue for damages only and not for the price, unless the price was payable at a stated date.

Liability of parties

A subsequent loss or destruction of the goods is the liability of the buyer.

Such loss or destruction is the liability of the seller.

Nature of rights

Creates jus in rem

Creates jus in personam

Right of resale

The seller cannot resell the goods.

Sale ~ O-B ✓

The seller may sell the goods since ownership is with the seller.

O-(S) ✓
OA — Goods ✓

In case of insolvency of seller

The official assignee will not be able to take over the goods but will recover the price from the buyer.

Goods X

The official assignee will acquire control over the goods but the price will not be recoverable.

In case of insolvency of buyer

The official assignee will have control over the goods.

OA — Goods ✓

The official assignee will not have any control over the goods.

OA → X Goods



CONDITION VS. WARRANTY

BASIS	CONDITION	WARRANTY
Meaning	A condition is a stipulation essential to the main purpose of the contract.	A warranty is a stipulation collateral to the main purpose of the contract.
Right in case of breach	The aggrieved party can repudiate the contract or claim damages or both in the case of breach of condition.	The aggrieved party can claim only damages in case of breach of warranty.
Conversion of stipulations	A breach of condition may be treated as a breach of warranty.	A breach of warranty cannot be treated as a breach of condition.

MRB



SALE VS. HIRE PURCHASE

**ACRONYM :-
PPT mein paper from RTI**

BASIS	SALE	HIRE - PURCHASE
Time of passing property	Property in goods is transferred to the buyer immediately at the time of contract.	The property in goods passes to the hirer upon payment of the last installment.
Position of the party	The position of the buyer is that of the owner of the goods.	The position of the hirer is that of a bailee till he pays the last installment.
Termination of contract	The buyer cannot terminate the contract & is bound to pay the price of the goods.	The hirer may, if he so likes, terminate the contract by returning the goods to its owner without any liability to pay the remaining installments.
Burden of risk of insolvency of buyer	The seller takes the risk of any loss resulting from the insolvency of the buyer.	The owner takes no such risk, if the hirer fails to pay an installment, the owner has right to take back the goods.

Transfer of title

Resale

The buyer can pass a good title to a bonafide purchaser from him.

→ honest

The buyer in sales can resell the goods.

~~27~~
The hirer cannot pass any title even to a bonafide purchaser.

The hire purchaser cannot resell unless he has paid all the installment.



SALE VS. BAILMENT

BASIS

~~CONDITION~~

Sale

~~WARRANTY~~

Bailment

Transfer of property

The property in goods is transferred from the seller to the buyer. So, it is transfer of general property.

There is only transfer of possession of goods from the bailor to the bailee for any of the reasons like safe custody, carriage, etc. So, it is transfer of special property.

Return of goods

The return of goods in contract of sale is not possible.

The bailee must return the goods to the bailor on the accomplishment of the purpose for which the bailment was made

Consideration

The consideration is the price in terms of money.

The consideration may be gratuitous or non gratuitous.

CPR dena

free



INDIAN PARTNERSHIP ACT, 1930

3 5
6 6
6 8



PATNERSHIP VS. JOINT STOCK COMPANY

MD PPL of LA eats WoRMS

ACRONYM :- ✓

MD of LA PPL eats WoRMS

BASIS	PARTNERSHIP	JOINT STOCK COMPANY
Legal status	A firm is not legal entity i.e. it has no legal personality distinct from the personalities of its constituent members.	A company is a separate legal entity distinct from its members (Salomon v. Salomon).
Agency	In a firm, every partner is an agent of the other partners as well as of the firm.	In a company, a member is not an agent of the other members or of the company, his actions do not bind either.
Distribution of profit	The profits of the firm must be distributed among the partners according to the terms of the partnership deed.	There is no such compulsion to distribute its profits among its members. Some portion of the profits, but generally not the entire profit become distributable among the shareholders only when dividends are declared.



Extent of liability

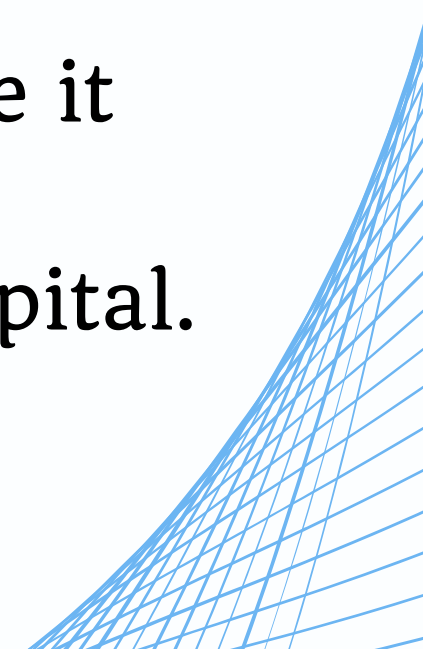
In a partnership, the liability of the partners is unlimited. This means that each partner is liable for debts of a firm incurred in the course of the business of the firm and these debts can be recovered from his private property, if the joint estate is insufficient to meet them wholly

In a company limited by shares, the liability of a shareholder is limited to the amount, if any, unpaid on his shares, but in the case of a guarantee company, the liability is limited to the amount for which he has agreed to be liable. However, there may be companies where the liability of members is unlimited.

Property

The firm's property is that which is the "joint estate" of all the partners as distinguished from the 'separate' estate of any of them and it does not belong to a body distinct in law from its members.

In a company, its property is separate from that of its members who can receive it back only in the form of dividends or refund of capital.



Transfer of shares

A share in a partnership cannot be transferred without the consent of all the partners.

In a company a shareholder may transfer his shares, subject to the provisions contained in its Articles. In the case of public limited companies whose shares are quoted on the stock exchange, the transfer is usually unrestricted.

Management

In the absence of an express agreement to the contrary, all the partners are entitled to participate in the management.

Members of a company are not entitled to take part in the management unless they are appointed as directors, in which case they may participate. Members, however, enjoy the right of attending general meeting and voting where they can decide certain questions such as election of directors, appointment of auditors, etc.



Registration

Registration is not compulsory in the case of partnership.

A company cannot come into existence unless it is registered under the Companies Act, 2013.

Winding up


A partnership firm can be dissolved at any time if all the partners agree.

A company, being a legal person is either wind up by the National Company Law Tribunal or its name is struck off by the Registrar of Companies.

Number of membership

According to section 464 of the Companies Act, 2013, the number of partners in any association shall not exceed 100. However, the Rule given under the Companies (Miscellaneous) Rules, 2014 restrict the present limit to 50.

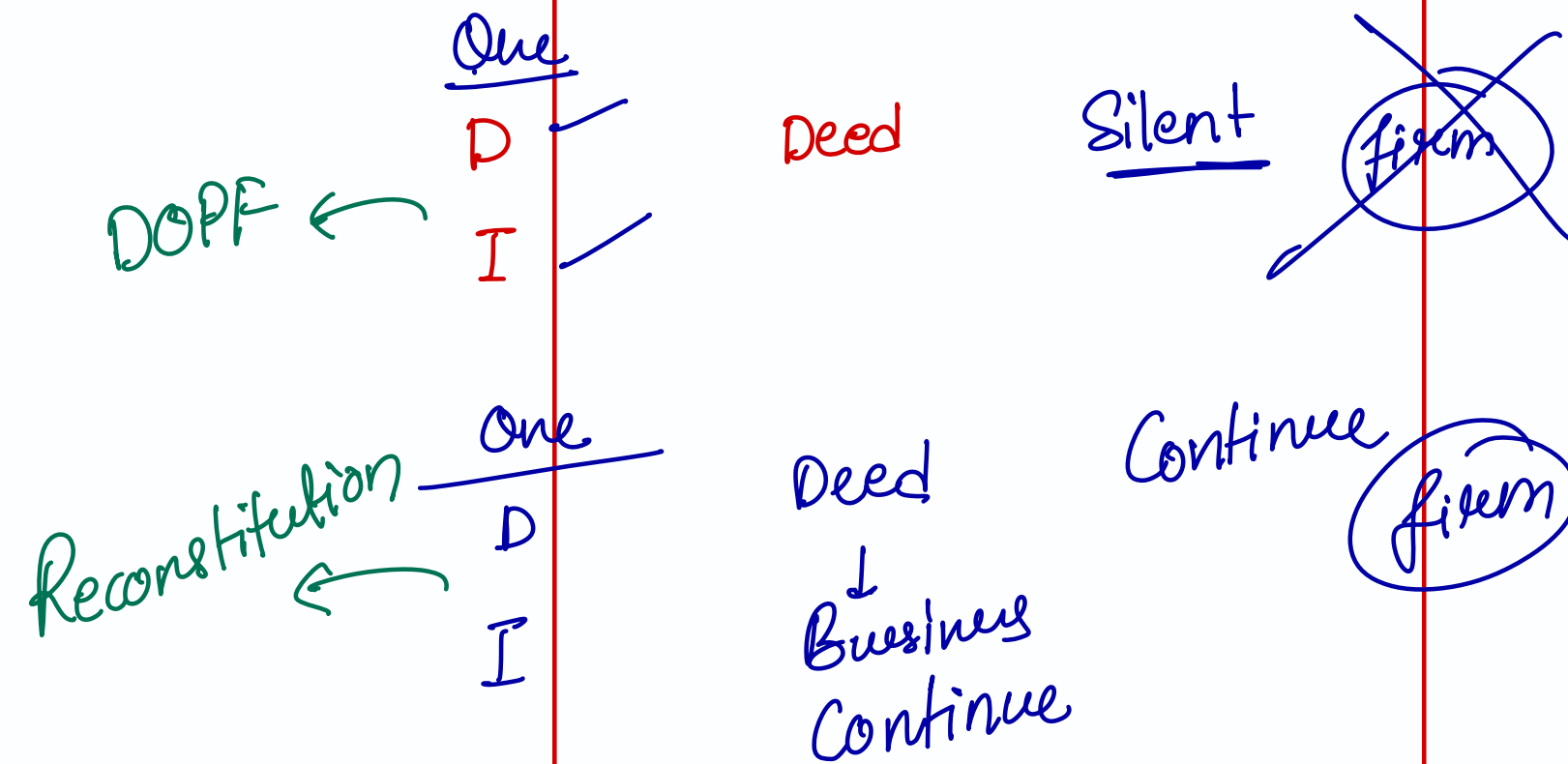
A private company may have as many as 200 members but not less than two and a public company may have any number of members but not less than seven. A private Company can also be formed by one person known as one person Company.



Duration of
existence

Unless there is a contract to the
contrary, death, ~~retirement~~ or
insolvency of a partner results
in the dissolution of the firm.

A company enjoys a perpetual
succession.



Most Excepted

End



PATNERSHIP VS.CLUB

**ACRONYM :-
DRleD**

BASIS	PARTNERSHIP	JOINT HINDU FAMILY
Mode of <u>creation</u>	Partnership is created necessarily by an agreement.	The right in the joint family is created by status means its creation by birth in the family.
Death of a member	Death of a partner ordinarily leads to the dissolution of partnership.	The death of a member in the Hindu undivided family does not give rise to dissolution of the family business.
Management	All the partners are equally entitled to take part in the partnership business.	The right of management of joint family business generally vests in the Karta , the governing male member or female member of the family.
Authority to bind	Every partner can, by his act, bind the firm.	The Karta or the manager , has the authority to contract for the family business and the other members in the family.

Liability

In a partnership, the liability of a partner is unlimited.

In a Hindu undivided family, only the liability of the Karta is unlimited, and the other coparcener are liable only to the extent of their share in the profits of the family business.

Calling for accounts on closure

A partner can bring a suit against the firm for accounts, provided he also seeks the dissolution of the firm.

On the separation of the joint family, a member is not entitled to ask for account of the family business.

Governing Law

A partnership is governed by the Indian Partnership Act, 1932.

A Joint Hindu Family business is governed by the Hindu Law.

Continuity

A firm subject to a contract between the partners gets dissolved by death or insolvency of a partner.

A Joint Hindu family has the continuity till it is divided. The status of Joint Hindu family is not thereby affected by the death of a member.

Minor's capacity

In a partnership, a minor cannot become a partner, though he can be admitted to the benefits of partnership, only with the consent of all the partners.

Profit

Share in the business

In a partnership, each partner has a defined share by virtue of an agreement between the partners.

In Hindu undivided family business, a minor becomes a member of the ancestral business by the incidence of birth. He does not have to wait for attaining majority.

In a HUF, no coparceners has a definite share. His interest is a fluctuating one. It is capable of being enlarged by deaths in the family diminished by births in the family.

Handwritten calculations:

$$\begin{array}{r} 100 \\ 6 \\ \hline \end{array}$$

Annotations: A circled '4' with an arrow pointing to the circled '9' in the denominator of the fraction $\frac{1}{9}$. The fraction $\frac{1}{9}$ is subtracted from 5, resulting in $5 + \frac{1}{9}$.

Expected



PATNERSHIP VS. CO- OWNERSHIP

ACRONYM :-
~~FINT~~ STONE

FLINT

BASIS

PARTNERSHIP

CO - OWNERSHIP

Formation

Partnership always, arises out of a contract express or implied.

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

Implied agency

A partner is the agent of the other partners.

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

Nature of interest

There is community of interest which means that profits and losses must have to be shared.

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

Transfer of interest

A share in the partnership is transferred only by the consent of other partners.

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

29



**ACRONYM :-
COW banayegi FSt**

Partnership

BASIS

DISSOLUTION OF FIRM

DISSOLUTION OF PARTNERSHIP

Continuation of business

It involves discontinuation of business in partnership.

It does not affect continuation of business. It involves only reconstitution of the firm.

A/R/E

Winding up

It involves winding up of the firm and requires realization of assets and settlement of liabilities.

It involves only reconstitution & requires only revaluation of assets and liabilities of the firm.

Order of court

A firm may be dissolved by the order of the court.

Dissolution of partnership is not ordered by the court.

Scope

Dec 2023
June 2024
Sept-2024
Jan 2025

It necessarily involves dissolution of partnership.

It may or may not involve dissolution of firm.

Final closure of books

It involves final closure of books of the firm.

It does not involve final closure of the books of the firm.



LIMITED LIABILITY PARTNERSHIP ACT, 2008



LLP VS. LLC

ACRONYM :-

Manojjo hai MD has been Named ~~for~~ MRI ke Liye

BASIS	LLP	LLC
Regulating act	The LLP Act, 2008.	The Companies Act, 2013.
Members/Partners	The persons who contribute to LLP are known as partners of the LLP.	The persons who invest the money in the shares are known as as members of the company.
Internal governance. Structure.	The internal governance. structure of LLP is goverened. by contract agreement between. the partners.	The internal governance structure of a company is regulated by statute.
Name	Name of the LLP to contain the word "Limited Liability partnership" or "LLP" as suffix.	Name of the public company to contain the word "limited" and Pvt. Co. to contain the word "Private limited" as suffix.
Minimum number directors/designated partners of	Minimum 2 designated partners	Pvt. Co. - 2 directors Public co. - 3 directors

BASIS	LLP	LLC
No. of members / partners	<p>Minimum - 2 members</p> <p>Maximum - No such limit on the members in the Act. The members of the LLP can be individuals/or body corporate through the nominees.</p>	<p><u>Private company:</u></p> <p>Minimum - 2 members</p> <p>Maximum 200 members</p> <p><u>Public company:</u></p> <p>Minimum - 7 members</p> <p>Maximum - No such limit on the members.</p> <p>Members can be organizations, trusts, another business form or individuals.</p>
Management	<p>The business of the company managed by the partners including the designated partners authorized in the agreement.</p>	<p>The affairs of the company are managed by board of directors elected by the shareholders.</p>



LLP VS. PARTNERSHIP FIRM

BASIS	LLP	PARTNERSHIP FIRM
Regulating act	The LLP Act, 2008.	The Indian Partnership Act, 1932.
Body corporate	It is a body corporate.	It is not a body corporate.
Separate legal entity	It is a legal entity separate from its members.	It is a group of persons with no separate legal entity.
Creation	It is created by a legal process called registration under the LLP Act, 2008.	It is created by an agreement between the partners.
Registration	Registration is mandatory. LLP can sue and be sued in its own name.	Registration is voluntary. Only the registered partnership firm can sue the third parties.
Name	Name of the LLP to contain the word limited liability partners (LLP) as suffix.	No guidelines. The partners can have any name as per their choice.

BASIS	LLP	PARTNERSHIP FIRM
Perpetual succession	The death, insanity, retirement or insolvency of the partner(s) does not affect its existence of LLP. Members may join or leave but its existence continues forever.	The death, insanity, retirement or insolvency of the partner(s) may affect its existence. It has no perpetual succession.
Liability	Liability of each partner limited to the extent to agreed contribution except in case of willful fraud.	Liability of each partner is unlimited. It can be extended upto the personal assets of the partners.
Designated partners	At least two <u>designated</u> partners and atleast one of them shall be resident in India.	There is no provision for such partners under the Partnership Act, 1932.
Common seal	It may have its common seal as official signatures.	There is no such concept in partnership

BASIS	LLP	PARTNERSHIP FIRM
Legal compliances	Only designated partners are responsible for all the compliances and penalties under the act. <i>//</i>	All partners are responsible for all the compliances and penalties under the Act.
Annual filing of documents	LLP is required to file: <i>SOA</i> (i) Annual statement of accounts (ii) Statement of solvency <i>SOS</i> (iii) Annual return with the registration of LLP every year.	Partnership firm is not required to file any annual document with the registrar of firms.
Minor as partner	Minor cannot be admitted to the <u>benefits</u> of LLP.	Minor can be admitted <i>Partner</i> to the <i>Benefit</i> of the partnership with the prior consent of the existing partners.
Foreign partnership	Foreign nationals can become a partner in a LLP.	Foreign nationals cannot become a partner in a partnership firm.



NEGOTIABLE INSTRUMENTS ACT, 1881



PROMISSORY VS. BILL OF NOTE EXCHANGE

ACRONYM :-

Do Not Panic, Act Peacefully

BASIS

PROMISSORY NOTE

BILLS OF EXCHANGE

Definition

"A Promissory Note" is an instrument in writing (not being a banknote or a currency currency-note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or to the bearer of the instrument.

"A bill of exchange" is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money to , or to the order of a certain person or to the bearer of the instruments.

Nature of Instrument

In a promissory note, there is a promise to pay money.

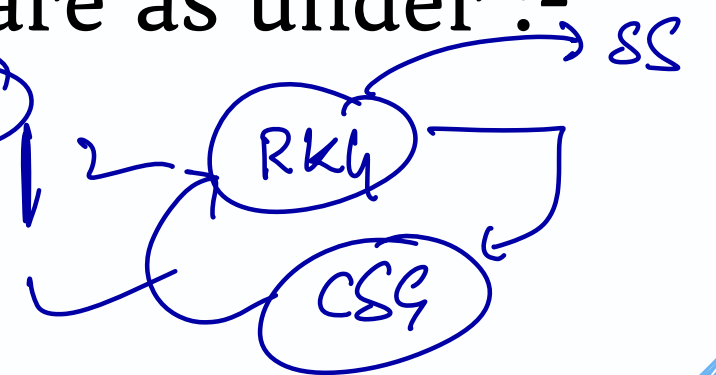
In a bill of exchange, ~~there is an~~ order to pay payment.

Parties

In a promissory note, there are 2 parties namely :-
i. the maker and
ii. the payee

In a bill of exchange, there are 3 parties which are as under :-

- i. the drawer
- ii. the drawee
- iii. the payee



BASIS

PROMISSORY NOTE

BILLS OF EXCHANGE

Acceptance

A promissory note does not require any acceptance, as it is signed by the person who is liable to pay.

A bills of exchange needs acceptance from the drawee



Payable to bearer

A promissory note cannot be made payable to bearer.

On the other hand, a bill of exchange can be drawn payable to bearer. However, it cannot be payable to bearer on demand.