

atc 2013

[This question paper contains 4 printed pages.]

Sr. No. of Question Paper : 1650

Roll No.....

Unique Paper Code : 101632

Name of the Paper : Legal Aspects of Indian Business

Name of the Course : Bachelor of Business Studies

Semester : VI

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt all questions.

SECTION A

State True/False with justification of any ten statements.

(10×1.5=15)

1. The communication of acceptance is not complete against the proposer if the letter of acceptance is lost in transit. ✓
2. Under influence involves use of physical pressure. ✗
3. In an agreement to sell, if the goods are destroyed the loss falls on the buyer.
4. Oral contracts are not valid contracts. ✗
5. A continuing guarantee may be revoked by the death of surety.
6. A stranger to consideration can not maintain a suit. ✓
7. There is statutory limit to the number of members in a private limited company.

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8. The account payee cheques are not freely transferable.
9. Implied agency includes agency by estoppel. ✖
10. A minor cannot act as an agent ✖

SECTION B

Attempt any eight cases. (8×3=24)

1. X sees a book displayed in a shelf of a book shop with a price tag of Rs. 200. X tenders Rs. 200 on the counter and asks for the book. The bookseller refuses to sell saying that the book has already been sold to some one else and he does not have another copy of that book in the stock. Is the bookseller bound to sell the book to X ?
2. B offers to sell his car to A; for Rs. 1 lakh. A accepts to purchase it for Rs. 90000. B refuses to sell the car for Rs. 90000. Subsequently A agrees to purchase the car for Rs. 1 lakh. But B refuses to sell the car now for Rs. 1 lakh. Can A sue B for the performance of the contract ?
3. X offered a reward to any one who would rescue his wife dead or alive from a burning building. A fireman risking his life brought out the wife' dead body. Is he entitled to recover the reward ?
4. A sells goods to B and transfers him the document of title to the goods. B pays A through a cheque. In fulfillment of a contract of sale B transfers that document of title to C. Before C could obtain the delivery of goods, B's cheque has been dishonoured by the bank. Hence A gives instructions to stop delivery of the goods to C until paid. Is A's action justified ?
5. A enters into a contract with B for buying B's motor car as agent of C and without C's authority. B repudiates the contract before C comes to know of it. C subsequently ratifies the contract and sues to enforce it. How would you decide ?

6. A and B are partners in a business. They enter into a wagering agreement with a third party. On losing the bet A pays his amount as well as B's amount. Can A claim from B the amount paid on his behalf?
7. X a social reformer, promised Y a reward of Rs. 1000 if he refrained from smoking for two years. Y does so. Is he entitled to the reward?
8. X who is a minor met with an accident. Hospital incurs Rs. 50,000 on his treatment. Can hospital recover this amount from the property, of the minor?
9. X gives some cloth to a tailor for making a shirt of it. The tailor's charges are settled at Rs. 500. After the shirt ready X tenders Rs. 500 for the charges but the tailor refuses to deliver the shirt till X pays an old debt of Rs. 200. Is the tailor entitled to do so?
10. A enters into a contract with B to sell him 1000 bales of cotton and afterwards discovers that B was acting as agent of C. Advise A as to the person against whom he should bring a suit for the price of the cotton.

SECTION C

Attempt any six questions. (6×6=36)

1. When will consent not be called free consent as per the Indian Contract Act 1872?
2. What do you understand by legality of object? When an object is called unlawful as per the Indian contract Act?
3. What do you understand by capacity of parties under the Indian Contract Act? What is the effect of agreements made by persons of unsound mind and minor?
4. What are the expressed and implied conditions as per the Sale of Goods Act?

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5. Who is an agent ? How is he different from a servant ? Briefly explain the various modes by which an agency may be created.
6. Define the term negotiable instrument. Explain the different types of the crossing of cheque.
7. Explain the roles of company secretary.
8. What is doctrine of caveat emptor ? State the exceptions to it.