

[This question paper contains 4 printed pages.]

8376

Your Roll No.

BFIA / II Sem. - 2011 (NS)

FINANCIAL AND INVESTMENT ANALYSIS

Paper 201 - Legal Aspects of Business - I

Time : 3 hours

Maximum Marks : 75

(Write your Roll No. on the top immediately
on receipt of this question paper.)

Attempt all questions.
Quote the decided cases.

PART A

1. State whether the following statements are true or false with reasons.

(i) Oral contracts are not valid contracts. (2)

(ii) Death and insanity of the offerer terminates the offer. (2)

(iii) A minor cannot act as an agent and bind the principal. (2)

(iv) Ignorance of law can be put forward as the defence by an illiterate person. (2)

P.T.O.

- (v) A contract is voidable when there is a bilateral mistake. (2)
- (vi) An agreement to procure the marriage of a person in consideration of a certain sum of money is voidable. (2)
- (vii) Showing of profits and losses is the conclusive test for the existence of partnership. (2)
- (viii) A partnership firm has a separate legal existence apart from the members. (2)
- (ix) In respect of the contract of sale of goods the delivery of goods and payment of price must take place when the contract is made. (2)
- (x) A continuing guarantee may be revoked by the death of surety. (2)

PART B

1. A sent a letter of offer on 15th April 2011, which reaches B on 18th April 2011. On 19th April 2011, A revokes the offer and send fax message. Do you think the revocation is valid? (3)
2. X owes Rs. 1,00,000/- to Y but the Limitation Act bars the debt. X orally promises to pay the debt. Can Y recover the amount? (3)

3. An old car is exchanged for a new car and the difference is paid in cash. Decide whether there is sale of goods. (3)
4. X agrees to become a surety for the tenant C for the payment of rent under a lease. Thereafter the owner A and tenant C without taking X's consent makes alterations in the contract. Later C fails to pay the rent. Can X be held liable. (3)
5. A agrees to buy a car from B for Rs. 20,000/- and pay half of the purchase price in advance. Unknown to both the parties at the time of making the contract car was destroyed in fire. Advise A. (3)

PART C

Answer any four questions.

1. When does an offer become a promise? Discuss the rules governing a valid offer. (10)
2. What do you mean by contractual disability? Discuss briefly about the laws relating to the minor's agreements. (10)
3. Define "Bailment". Discuss the essential features of Bailment. Distinguish between 'Bailment' and 'Pledge'. (10)

4. Distinguish between :

(i) Coercion & Undue Influence

(ii) Fraud & Misrepresentation

(iii) Unilateral & Bilateral Mistake

(10)

5. Define the terms "Condition" and "Warranty" in a contract of "Sale of Goods".

Discuss briefly about the implied conditions in a contract of Sale of Goods.

(10)