VIVA COLLEGE OF ARTS COMMERCE & SCIENCE LIBRARY SECTION

VC-D 25-09-14 BUSINESS LAW SYBCOM SEM III 2 ½ HRS MARKS-75 1300

Q.1. A) Fill in the blanks (any eight) (08)

1. A contingent contract is _____
   a) void b) voidable c) valid d) illegal
2. In case of destruction of goods after sale, loss is born by the _____
   a) Seller b) buyer c) creditor
3. In case of breach of condition the seller _____
   a) Buyer can reject the goods
   b) Only sue for the damages
   c) Does not have any right under the sale of goods act
4. In case of bill of exchange, drawer of a bill can also be _____
   a) Payee b) drawee c) acceptor
5. An intoxicated person _____
   a) Is of sound mind b) of unsound mind c) is otherwise disqualified
6. Moral pressure is exercised in case of _____
   Coercion b) undue influence c) fraud d) misrepresentation
7. In a gratuitous bailment no _____ is there
   a) Consideration b) possession c) movable
8. In a contract of guarantee there are _____ parties
   a) One b) two c) three
9. Nothing is to be done by _____
   a) Parties themselves b) judge of the high court c)notary public
10. Who is not a party to cheque _____
    a) Drawer b) drawee c) payee

Q.1. B) State whether True or False (any 7) (07)

1. When an instrument is payable on 15th August, the date of maturity is the next working day.
2. Insurance contracts are wagering contracts.
3. Person of unsound mind can make a contract during lucid internals of soundness of mind.
4. Right of lien is a right to regain possession of goods.
5. In case where unpaid seller exercises the right of re-sale the second buyer does not acquire a valid title to the goods.
6. Warranty is an important and essential stipulation in a contract of sale.
7. The death of the principal debtor releases the surety from his liability.
8. In every contract of guarantee there is an implied promise by the principal debtor to indemnify the surety.
9. A finder of lost goods can hold the goods against the whole world except the true owner.
10. The negotiable instrument can be in writing or oral.

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Q.2. A) Define consent. When is consent said to be free? How is a contract affected if the consent of one of the parties is not free? (12)

Q.2. B) A minor executed a mortgage of his property for the sum of Rs. 20,000 out of which he received Rs. 8,000 minor filed a suit subsequently for setting aside the mortgage. The money lender claimed refund of Rs. 8,000 from the minor. What will be the validity of contract – justify (03)

OR

Q.2. Short notes (any three) (15)

1. Valid contract
2. Void agreement
3. E-contract
4. Classification of contract
5. Consideration

Q.3. A) What is contract of agency. Describe the various modes of termination of agency (12)

Q.3. B) Car rental companies stipulate that the person hiring will be responsible for damage to the rental car caused by reckless driving. Would this amount to a contract of indemnity justify. (03)

OR

Q.3. Short note (any three) (15)

1. Contract of indemnity
2. Rights of surety
3. Contract of bailment
4. Contract of guarantee
5. Discharge of surety

Q.4. A) who is an unpaid seller and what are his rights. (12)

Q.4. B) 'A' entered into a contract of sale of carpet with 'B'. The agreement was 'A' had to carpet 'B's room. The carpet was chosen. 'A' delivered the carpet at 'B' place but was stolen before carpeting the room. Decide the property belongs to whom and who will bear the loss. (03)

OR

Q.4. Short note (any three) (15)

1. Implied condition
2. Agreement of sale
3. Rules relating to passing of property
4. Caveat emptor
5. Contract of sale

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Q.5. a) What do you mean by negotiable instrument. Distinguish between Bills of Exchange and Promissory Note. (12

Q.5. b) Rohit secured a loan from IDBI Bank and asked the loan to remitted to Kay Builders before presentment. Rohit asked the bank to cancel the loan and not to make payment to the builder. When the builder presented the cheque it was dishonored advice the builder – can he take any action against the Bank. (0

Or

Q.5. Write short note (Any Three) (1

1. Cheque
2. Noting & protest
3. Rules of Evidence
4. Escrow
5. Dishonor of cheques

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