

Note - All question are compulsory and carry equal marks

Q1A) State whether True or False with Reason (Any 4) (8mks)

- 1) Agency can be created without consideration.
- 2) All contracts are agreements.
- 3) Silence when equivalent to speech amounts to fraud.
- 4) An indemnifier cannot sue the third party in his own name.
- 5) Consideration can be past, present or future.
- 6) Gratuitous Bailment is without consideration.
- 7) Agreements in restraint of trade are void.

Q1B) Multiple choice question (any 7) (7mks)

- 1) In sale, _____ is transferred. (ownership, possession)
- 2) In case of destruction of goods after sale, loss is born by the _____ (seller, buyer)
- 3) Sales creates a _____ (right in rem, right in personam)
- 4) Risk prima facie passes with _____ (possession, ownership)
- 5) Warranty is a stipulation that is _____
 - a) Primary b) Secondary c) Incidental d) Irrelevant
- 6) Maturity of an Instrument is _____
 - a) Date on which Instrument is created b) Date on which Instrument is Payable c) Date on which Instrument is signed d) None of the above.
- 7) A bill of exchange _____ be conditional. (can, cannot)
- 8) For bouncing of Cheque the maximum imprisonment can be _____ years. (1, 2, 3, 4,)
- 9) In case of bills in sets _____
 - a) Only one copy need to be signed and Stamped b) All Copies need to be signed & Stamped c) No Copy need to be signed and Stamped d) Only one copy requires Stamp or Signature
- 10) Under Sale of Goods Act, Good refers to _____ (movable, immovable)

Q2A) Discuss briefly the position of a minor with regards to the contracts entered by him. (12mks)

Q2B) A's nephew was missing. He sent his servant to trace his missing nephew. When the servant had left, A, announced a reward of Rs 500 to anybody who finds his missing nephew or gives information regarding his missing nephew. The servant discovered the missing nephew. Later when he came to know about the reward, he claimed for the same. Is the master liable to pay to the servant. Justify. (3 mks)

OR

Q2A) Write short notes (Any3) (15 mks)

- 1) Void Agreements.
- 2) Fraud.
- 3) Valid Contract.
- 4) Classification of contracts
- 5) Mistake.

Q3A) Explain the various ways by which an agency may arise. (12 mks)

Q3B) "A" employs "B" as a clerk on monthly salary. "C" stands surety for B's duty accounting for all sum received as a clerk. "A" and "B" subsequently change from monthly salary to commission without C's consent. What will be the liability of C's (3 mks)

OR

Q3C) Write short notes (Any3) (15 mks)

- 1) Modes of discharge of Surety.
- 2) Contract of Bailment.
- 3) Contract of Indemnity.
- 4) Types of Bailment.
- 5) Contract of Guarantee.

Q4A) Who is an unpaid seller. What are his rights. (12 mks)

Q4B) "P" buys a hot water bottle from "L", a chemist. "P", buys the bottle on the recommendation of "L". After a few days, while using the bottle it burst and injured his wife. Can "P" claim any damages. (3 mks)

OR

Q4C) Write short notes (Any3) (15 mks)

- 1) Distinguish between Sale and Agreement to Sell.
- 2) Implied Condition
- 3) Goods and Price

4) Risk prima facie passes with property.

5) Caveat Emptor.

Q5A) What is a Bill of Exchange? Explain its essential characteristics. How does a Promissory note differ from a Bill of Exchange. (12 mks)

Q5B) Decide whether it is a Bill of Exchange or not with reason.

"B", I shall be highly obliged if you make it convenient to pay Rs.500 to "C". (3mks)

OR

Q5C) Write short notes (Any3)

(15 mks)

1) Noting and Protest.

2) Types of Cheque

3) Rules of evidence in case of Negotiable Instrument.

4) Classification of negotiable Instrument.

5) Statutory Protection to bankers