

Roll No.

SAP ID



SET A

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, July 2020
Open Book – Through Blackboard Learning Management System

Course: Law of Contract-II (CLCC-1004)
Programme: B.com, LL.B. (Hons.)/ BSc., LL.B. (Hons.)

Semester: II

Time: 03 hrs.

Max. Marks: 100

Instructions:

As this examination is in open-book format, the students are expected to demonstrate a very high degree of Academic Integrity and not copy contents from resources referred. Instructors would look for understanding of the concept by the students and any similarity found from resources online/ offline shall be penalized in terms of deduction of marks and even cancellation of paper in requisite cases. The online examination committee of the School would also look for similarity of two answer scripts and if answer scripts of two or more students are found similar, both the answer scripts shall be treated as copied and lead to cancellation of the paper. In view of the aforesaid points, the students are warned that they should desist from using any unfair means.

All Questions are Compulsory
Answer each question in not more than 500 words

S. No.		Marks	CO
1	<p>Mr. X (Seller) and Mr. Y (Buyer) both entered into an agreement. Agreement between them is in relation of buying/selling of various articles. Description of the various articles is attached herewith:-</p> <ul style="list-style-type: none">a) 100 pieces of shirt @ 1500 per piece.b) 10 mobile phone sets @ 15000 per set.c) 1 showpiece costing rupees 1, 00,000. <p>Based on above facts, determine whether Sale of Goods Act, 1930, governs this transaction or not? Give reasons in support of your answers. Use relevant statutory provision/s and case laws on the issue. Also differentiate between sale and agreement to sell on any 4 basis (6+4=10 marks)</p> <p>Now let us assume that Mr. X sold goods to Mr. Y and delivered them to him. Y took the goods to railways for the purpose of transmission to his place of business. However, due to loose packing, the goods were returned back to X for repacking.</p>	20	CO1, 4

	<p>While the goods were with X for this purpose, the buyer (Y) becomes insolvent. The seller (X), still being unpaid, wanted to retain the goods in the exercise of his right of lien.</p> <p>On the basis of the facts stated answer the following-</p> <p>a) What do you understand by the term Unpaid seller. (3 Marks)</p> <p>b) What are the various rights of an unpaid seller (5 Marks)</p> <p>c) Whether X is entitled to retain goods or not? (2 Marks)</p> <p>(Note- Mention only relevant statutory provision/s and case law/s on the point. Please avoid unnecessary elaboration)</p>		
Ans.			
2	<p>A and B entered into a partnership and open a dog-walking service together that matches local dog-walkers with pet owners who need their services. The primary method of connecting walkers and pet owners is through a mobile application that is currently being released in major markets around the country. A (active partner), who is in charge of staffing, hires C to review applicants for the dog-walker positions. The firm's policy requires that each applicant pass a background check and have three confirmed references before their profile is listed on the app. The firm's app recently launched in India and received a lot of attention from local media, leading hundreds of locals to apply to be walkers. In other markets, the average number of applicants was just 75. Overwhelmed, C decides to randomly check the applicants rather than performing a thorough review on each. As a result, the company allows D, who was previously convicted of animal abuse, to solicit dog-walking jobs. D was hired by an unknowing user, and later kicked the user's dog for disobeying his commands during the walk.</p> <p>On the basis of the above stated facts answer the below stated questions-</p> <p>a) What is the real test of determining the existence of partnership? Is profit sharing is the sole criteria for determining the existence of partnership? Decide on the basis of legal provisions and leading case laws (10 Marks)</p> <p>b) Explain in brief the Doctrine of Implied authority with the help of statutory provisions and the case laws on the point. Determine the liability of "B" if any with proper reasoning. (10 Marks)</p> <p>(Note- Mention only relevant statutory provision/s and case law/s on the point. Please avoid unnecessary elaboration)</p>	20	CO 3, 4
Ans.			
3	<p>Rakesh is one of the largest meat wholesalers (Rakesh sold meat by showing samples to the prospective consumers) in all of East Delhi; Suresh operates one of the most famous and fantastic meat shop in the East Delhi. One day, Rakesh finds himself with an inventory of especially bad meat; he tried selling it to dog food manufacturers, but even they would not take it! Needing some cash to make payroll</p>	20	CO 2,4

	<p>that week and really needing the bad meat gone from his warehouse, Rakesh mixes some of the poor quality meat in with Suresh's order of select-grade fine quality meat. Not noticing the bad meat in the container (likely because Rakesh has done his best to hide it), Suresh accepts the delivery and pays Rakesh for it. He does not notice the bad meat until two days later.</p> <p>On the basis of the facts stated, answer the following question-</p> <p>a) Explain the concept of Condition and Warranty as elucidated in section 12 of Sale of Goods Act, 1930. Clearly point out the differences between them with the help of examples. (6 Marks)</p> <p>b) Determine the liability of Rakesh in the above situation by clearly pointing out the concept of implied condition and warranties in the contract of sale of goods. Use relevant legal provisions and case laws on the issue. (14 Marks)</p> <p>(Note- Mention only relevant statutory provision/s and case law/s on the point. Please avoid unnecessary elaboration)</p>		
Ans.			
4	<p>X, Y and Z constituted an unregistered firm on 1st Jan 2010. There was no formal agreement between them regarding creation of a partnership. Both X and Y contributed 10 Lakh rupees and Z contributed his expertise and skills for running the firm. After few years firm had borrowed Rs. 50,000 from A, a moneylender. The firm had also supplied goods worth Rs. 5,000 to A on credit. Since, the firm could not repay the loan amount in time; A filed a suit against the firm for the recovery of loan amount.</p> <p>On the basis of facts stated, decide the following-</p> <p>a) Whether capital contribution is a pre-requisite for creating partnership or not? Can they enter into a partnership without any formal agreement? What if, they enter into partnership by drafting formal agreement, but did not decide the duration of the continuance of the firm. Is that kind of agreement is legally valid? Justify with proper reasoning and the law point. (8 Marks)</p> <p>b) Can firm claims the set-off of Rs.5, 000? Give reason. Also, point out the various effects of non-registration of a partnership firm. (12 Marks)</p> <p>(Note- Mention only relevant statutory provision/s and case law/s on the point. Please avoid unnecessary elaboration)</p>	20	CO 3, 4
Ans.			

5	<p>A, a minor, appointed B as his agent and authorized him to purchase 10 pairs of shoes for him. Accordingly, B purchased the shoes from C, on credit, on behalf of his principal. However, A refused to pay the price and C sued B for the price? Will C succeed? Give reasons in support of your answer. (5 Marks)</p> <p>On attaining majority, whether A is having the authority to ratify the act done by B? What do you understand by “Agency by ratification”? What are the requisites for a valid ratification? (15 Marks)</p> <p>(Note- Mention only relevant statutory provision/s and case law/s on the point. Please avoid unnecessary elaboration)</p>	20	CO4
Ans.			

I,, understand that submitting work that isn't my own may result in failure in this paper and I may also be subject to Disciplinary Proceedings as per the Academic Integrity policy of the University.