

# NJ-102

November-2017

B.B.A., Sem.-V

## CC-301 : Mercantile Laws

Time : 3 Hours]

[Max. Marks : 70

1. (a) Define consideration. Why is it essential in a contract ? What are the legal rules regarding consideration ? 7

OR

What is an offer ? State the rules of a valid offer.

- (b) Write a note on : Agreements opposed to public policy. 7

OR

Describe the essentials of a valid contract. When does an agreement become void ?

2. Write short notes : (any three) 14

- (1) Duties of bailor
- (2) Classification of contracts
- (3) Persons incompetent to contract
- (4) Undue influence
- (5) Any two damages awarded on breach of contract.
- (6) The cases of Balfour v/s Balfour and Carlill v/s Carbolic Smokeball company.

3. (a) Describe the essential elements necessary for a contract of sale. 7

OR

“A seller cannot convey a better title to the buyer than he himself has.” Discuss this rule of law and point out the exceptions.

- (b) Write short notes : (any two). 7

- (i) F.O.B. contract
- (ii) Caveat emptor
- (iii) Documents of title to goods
- (iv) Right of stoppage in transit

4. (a) What is negotiable instrument ? Explain its special characteristics.

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**OR**

Explain various types of indorsement.

(b) What is meant by crossing of a cheque ? Who can cross a cheque ? Explain the types of crossing of a cheque.

**OR**

Explain the difference between Bill of Exchange and promissory note.

5. State whether the following statements are true or false. Give reason for your answer.

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- (1) It is the duty of bailee to take reasonable care of goods bailed.
- (2) A music hall was agreed to be let out on certain dates but before those dates it was destroyed by fire. Here promisor is relieved from performing the contract.
- (3) Stranger to the contract cannot sue.
- (4) Every agreement in restraint of marriage of any person, other than minor is valid.
- (5) Offer must be made with a view to obtain the assent of other party addressed.
- (6) In auction sale, by fall of hammer or other customary announcement by auctioneer, the contract of sale is completed.
- (7) In C.I.F. contract, if seller does not insure the goods, the buyer is not bound to accept, even though goods arrived safely at the destination.
- (8) The finder of the goods has no right to sell the goods of real owner in any circumstances.
- (9) A warranty is a stipulation which is essential to the main purpose of contract of sale.
- (10) Money and actionable claim are goods.
- (11) A promissory note is an unconditioned promise to pay.
- (12) If maturity date of promissory note or bill of exchange is a public holiday, then instrument is deemed to be due on preceding business day.
- (13) Forged instrument means fraudulent making or alteration in writing of an instrument, to the prejudice of another man's right.
- (14) The term 'negotiable' means transferable from one person to another in return for consideration.