

Reg. No

Name

B. Com DEGREE END SEMESTER EXAMINATION - OCTOBER 2019
SEMESTER 1 : B Com
COURSE : 19U1RCOM03 : BUSINESS REGULATORY FRAMEWORK
(For Regular - 2019 Admission)

Time : Three Hours

Max. Marks: 75

Section A
Answer any 10 (2 marks each)

1. Define pawn.
2. What is doctrine of frustration?
3. What is meant by capacity to contract?
4. S promises to pay T Rs. 5 lakhs, if T's ship does not return within a year. The ship is destroyed within the year. Can T recover the money from S ?
5. X hires a carriage of Y. The carriage is unsafe although Y is not aware of it, and X is injured. Is Y responsible to X for the injury ?
6. Ramaswami proposed to sell his house to Ramanathan. Ramanathan sent his acceptance by post. Next day, Ramanathan sends a telegram withdrawing his acceptance. Examine the validity of the acceptance in the light of the following:
 (i) The telegram of revocation of acceptance was received by Ramaswami before the letter of acceptance.
 (ii) The telegram of revocation and letter of acceptance both reached together.
7. C owes D Rs. 5,000. In pursuance of a contract with E, C transfers the whole of his property to E for Rs. 30,000, by a registered document, out of which E agrees to pay Rs.5,000 to D. Is D entitled to recover the debt of Rs. 5,000 from C or E ?
8. What is bailment?
9. What do you mean by agency by holding out?
10. What is Caveat Emptor?
11. Define 'Goods' according to sale of goods Act 1930.
12. Who is a sleeping partner?

(2 x 10 = 20)

Section B
Answer any 5 (5 marks each)

13. What is contract? Explain the essentials of a valid contract.
14. "Acceptance is to an offer what a lighted match is to a train of gunpowder." Discuss.
15. a) A, an artist, undertook to paint a picture for Rs. 2,000 for B. But before he could do so, he met with an accident and died. Can B hold A's legal representatives liable?
 b) X agreed to let out his theatre to Y for a musical performance on a certain date for a certain sum. Before the date of the musical performance, the theatre is destroyed by fire. Discuss the liability of X and Y.

16. Explain the concept of 'misrepresentation' in matters of contract. Sohan induced Suraj to buy his motorcycle saying that it was in a very good condition. After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% cost of repairs. After a few days, the motorcycle did not work at all. Now Suraj wants to rescind the contract. Decide giving reasons.
17. State the essential of valid bailment.
18. How an agency is terminated?
19. Differentiate between sale and hire purchase.
20. Which are modes of reconstitution of firm?

(5 x 5 = 25)

Section C

Answer any 3 (10 marks each)

21. State and explain the ways by which a Contract may be discharged.
22. What are the essential elements of a valid offer?
23. a) A wrote a letter to B offering to sell his house at a particular price. B, unaware of A's letter wrote to A offering to buy the house at the same price. Is there a contract?
 b) A sells, by auction, to B, a horse which A knows to be unsound. A says nothing to B about the horse's unsoundness. Can the contract be set aside on the ground of fraud?
 c) A offered a reward to anyone who found out and brought back his missing son. B brought back A's son but was ignorant about the reward offered. He now sues A for the reward. Advise.
 d) A promises to give Rs 5000 towards the reconstruction works of a temple. The trustee of the temple on the faith of the above promise incurs liabilities. A does not pay the promised amount. Can the trustee recover the amount from A?
24. What are the rights of surety?
25. a) "Good Girl" Soap Co. advertised that it would give a reward of Rs.1,000 who developed skin disease after using, "Good Girl" soap of the company for a certain period according to the printed directions. Miss Rakhi purchased the advertised "Good Girl" and developed skin disease in spite of using this soap according to the printed instructions. She claimed reward of Rs.1,000. The company refused the reward on the ground that offer was not made to her and that in any case she had not communicated her acceptance of the offer. Decide whether Miss Rakhi can claim the reward or not. Refer the relevant case law, if any.
 b) Point out with reasons whether the following agreements are valid or void:
 (i) Kamala promises Ramesh to lend Rs. 50,000 in lieu of consideration that Ramesh gets Kamala's marriage dissolved and he himself marries her.
 (ii) Sohan agrees with Mohan to sell his black horse. Unknown to both the parties, the horse was dead at the time of agreement.
 (iii) Ram sells the goodwill of his shop to Shyam for Rs. 4,00,000 and promises not to carry on such business forever and anywhere in India.
 (iv) In an agreement between Prakash and Girish, there is a condition that they will not institute legal proceeding against each other without consent.
 (v) Ramamurthy, who is a citizen of India, enters into an agreement with an alien friend.

(10 x 3 = 30)