

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**BBA Winter 2018 - 19 Examination**

**Semester:5**  
**Subject Code: 06101304**  
**Subject Name: Mercantile law**

**Date: 25 /10/2018**  
**Time: 02:00pm to 04:30pm**  
**Total Marks: 60**

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as Directed.**

**A).Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

**1. In a valid contract, what comes first**

- |                    |                |
|--------------------|----------------|
| (a) enforceability | (b) acceptance |
| (c) promise        | (d) proposal.  |

**2. An agreement in restraint of trade under section 27 is**

- |           |                   |
|-----------|-------------------|
| (a) valid | (b) voidable      |
| (c) void  | (d) unenforceable |

**3.What is a reasonable time for performance of a contract**

- |                                       |                                |
|---------------------------------------|--------------------------------|
| (a) is a question of fact             | (a) is a question of fact      |
| (c) is a mixed question of fact & law | (d) is a question of prudence. |

**4. Free consent is \_\_\_\_\_ element for contract**

- |                |                  |
|----------------|------------------|
| a) Essential   | c) Discretionary |
| b) Exceptional | d) none of these |

**5. Who among the following cannot cross a cheque ?**

- |            |                |
|------------|----------------|
| (a) drawer | (c) holder     |
| (b) banker | (d) Foreigner. |

**B). Define the following. (Each of 1 mark) (05)**

- 1.Negotiable Instrument
- 2.Contract
3. Fraud
- 4.Considreation
5. Goods

**C).Direct questions. (Each of 1 mark) (05)**

1. Mention four differences between SALE and AGREEMENT TO SELL
2. Example of Quasi Contract
3. "No consideration No contract" Exceptions
4. Give Four characteristics of a Negotiable Instrument?
5. Give Examples of "invitation to offer"

**Q.2 Answer the following questions.**

**A). Explain the kinds of contract (07)**

**B).Write a short note on "Caveat Emptor"- Let Buyer Beware (08)**

**Q.3 Answer the following questions.**

**A).Define Bill of Exchange and Explain its Features (07)**

**B). Explain the duties and rights of Bailor (08)**

**Q.4 Attempt any two questions. (Each of 7.5 mark) (15)**

1. All contracts are Agreement, but all agreements are not contracts” explain
2. A) X an owner of the business appoints an employee for monthly salary. He wants to enter into the contract with the employee must have his daily mess at the hotel which is run by the friend of the owner. Can the agreement be executed? Can it be legally enforceable?  
  
B) Miss X, a film actress agreed to work exclusively for a period of two years, for a film production company. However, during the said period she enters into a contract to work for another film producer. Discuss the rights of the aggrieved film production company under the Indian Contract Act, 1872.
3. 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.
4. “Explain the concept of “an agreement with Minor” .