

PARUL UNIVERSITY**FACULTY OF LAW****BA/BCom/BBA LL.B. Summer 2018 – 19 Examination****Semester: 4****Subject Code: 17300251****Subject Name: Contract II****Date: 09/04/2019****Time: 10:30am To 01:00pm****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.**(15)****(1 marks each. All Compulsory)**

1. The party who gives the indemnity is known as

A) indemnity holder	B) indemnifier
C) surety	D) principal debtor
2. A minor appoints a agent to represent himself, such an agency is

A) Valid	B) Void
C) Voidable	D) illegal
3. The number of contracts in the contract of guarantee are

A) two	B) three
C)four	D) None of these
4. Partnership includes ____

A) Two or more persons	B) Mutual Agreement
C) Profit sharing	D) All of these
5. Which of the following is a Negotiable Instrument?

A) Currency	B) Bank Notes
C) Bill of Exchange	D) None of these
6. A contract of insurance is also a contract of Indemnity. **(True or False)**
7. A Partnership is mutual agency. **(True or False)**
8. The law relating to partnership was in sections 239 to 266 of the Indian contract Act 1872. These sections have been replaced with an Act named Indian Partnership Act. **(True or False)**
9. Bill of Exchange and Promissory Note both have 3 parties. **(True or False)**
10. When there is no provision in partnership agreement for the duration of their partnership, or for the determination of their partnership, then the partnership is called_____.
11. The Negotiable Instruments Act mentions only _____ kinds of negotiable instruments under section 13.
12. Explain Minor Partner.
13. Define Goods as per Sales of Good Act 1930.
14. Explain Continuing Guarantee.
15. Define Surety

Q.2 A) Write short notes on (Each of three mark)**(15)**

1. General and Specific lien.
2. Caveat Emptor with exceptions
3. Dishonor of Cheque
4. Indemnity
5. Difference between Sale and Agreement to sale

Q.3 A) Explain condition and warranty. Distinguish between a condition and a warranty. When is a condition treated a warranty?**(08)****OR****A) Enumerate the Essentials of a partnership, Registration of partnership and Types of partners.****(08)**

B) Explain the concept of agency. In what circumstances is the agency terminated? State the duties and rights of the Agent. **(07)**

OR

B) What is meant by “Contract of Indemnity” and “Contract of Guarantee”? Discuss the essential elements with illustrations. **(07)**

Q.4 A) Sam, Troy and Vine entered into partnership and opened a bakery shop; profit sharing was in the ratio of 3:2:1. On December 31, 2018 they mutually decided to dissolve their partnership. Answer the following question in relation to the above stated facts. **(07)**

- i)** Which mode of dissolution was used by partners to dissolve the partnership?
- ii)** Describe the various methods of dissolution of partnership. Differentiate between dissolution of partnership & dissolution of a partnership firm

B) Answer the following short questions (**Any Four**) **(08)**

1. Explain Unpaid Seller.
2. Explain Incoming and Outgoing Partner.
3. Define Negotiation according to section 14 of Negotiable Instrument Act 1881.
4. Explain Sub agent & Substituted Agent.
5. Explain Crossed Cheque.
6. Define partnership as per Indian Partnership Act 1932.