

## Second Semester LL.B. (Three Years Course) (CBS) Examination

## LAW OF CONTRACT—II

## Compulsory Paper—1

Time : Three Hours]

[Maximum Marks : 80

- Note :—** (1) Attempt **all** sections. Section A consists of **10** marks, Section B consists of **30** marks, Section C consists of **40** marks.  
 (2) Follow the instructions given in each section.  
 (3) Marks are indicated against each question.

**SECTION—A**1. Choose the correct alternative (any **TEN**) :

- (i) Bailment of goods made as security for payment of debt is called :  
 (a) Bailment (b) Pledge  
 (c) Bailee (d) None of these
- (ii) Pawnee may retain the goods pledged for :  
 (a) Payment of the debt  
 (b) Interest on the debt  
 (c) All necessary expenses incurred by him  
 (d) All the above
- (iii) Who can be appointed as an agent ?  
 (a) Major (b) Person with sound mind  
 (c) Minor (d) Both (a) and (b)
- (iv) A person may cease to be a partner in the firm :  
 (a) By retirement (b) By death  
 (c) By insolvency (d) All the above
- (v) A partner may retire from the firm :  
 (a) With an express agreement by the partners  
 (b) With express consent of all the other partners  
 (c) By giving notice to all the other partners  
 (d) All the above
- (vi) A firm may dissolve :  
 (a) By agreement (b) By compulsory dissolution  
 (c) By Notice (d) All the above
- (vii) A minor has a right in the firm :  
 (a) To share profits (b) To have access to accounts  
 (c) Both (a) and (b) (d) To participate in the business.
- (viii) An unpaid seller has right to :  
 (a) Lien (b) Resale  
 (c) Stoppage in transit (d) All the above
- (ix) Sale by sample means :  
 (a) The bulk shall correspond with the sample  
 (b) Buyer shall have opportunity to compare the bulk with the sample  
 (c) The goods shall be free from any defects  
 (d) All the above

- (x) Condition is an :  
 (a) Essential stipulation of the contract (b) Collateral stipulation  
 (c) Both (a) and (b) (d) None of the above
- (xi) Contract of Sale includes :  
 (a) Sale (b) Agreement to sell  
 (c) Both (a) and (b) (d) Only (a)
- (xii) Section 124 of the Indian Contract Act defines :  
 (a) Guarantee (b) Indemnity  
 (c) Bailment (d) Surety
- (xiii) Section 172 of the Contract Act defines :  
 (a) Bailment (b) Pledge  
 (c) Indemnity (d) Guarantee
- (xiv) In a Contract of Guarantee there are \_\_\_\_\_ parties.  
 (a) Two (b) Three  
 (c) Four (d) Five
- (xv) Agency may be created by :  
 (a) Express agreement (b) Implied agreement  
 (c) Ratification (d) All the above

1×10=10

### SECTION—B

**Note :—** Both the questions in this section are compulsory.

2. Answer the following (any **THREE**) :

- (a) What are the Rights of Indemnity holder ?  
 (b) What are the duties of Bailee ?  
 (c) “Bailee’s right of Lien.” Explain.  
 (d) Distinguish between Agent and Subagent.

5×3=15

3. Write short notes on (any **THREE**) :

- (a) Registration of Firms  
 (b) Termination of Agency  
 (c) Doctrine of ‘Caveat Emptor’  
 (d) Risk follows property.

5×3=15

### SECTION—C

**Note :—** Answer any **FIVE** questions of the following.

4. Define Indemnity. Explain the nature and scope of Indemnity.
5. Elaborate the Rights of Surety with the help of decided case laws.
6. Explain the Rights and Duties of pawnor.
7. Discuss creation of agency and state the kinds of agent.
8. Write a note on Dissolution of Firm.
9. Define warranty. Distinguish it from conditions.
10. Define Partnership. Discuss the various types of partners.
11. Explain the Rights of an unpaid seller.

8×5=40