

EXAMINATION OF ARTICLE CLERKS

PAPER V

COMMERCIAL LAWS

Wednesday 8<sup>th</sup> November, 2023

Time : 3 Hours [1-00 P.M. TO 4-00 P.M.]

Total Marks – 100

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Note: Answers should be in brief however properly reasoned and wherever possible supported by relevant provisions of law and case laws.

Question No.	Question	Marks
SECTION I THE INDIAN CONTRACT ACT, 1872		
1.	What are the various situations when contracts need not be performed by parties?	5 Marks
2.	Write short notes on any three of the following:  i. Essentials of a Contract of Guarantee, ii. Quasi contracts. iii. Contracts against public policy. iv. Discharge of surety. v. Agreements without consideration and its exceptions	12 Marks
3.	Mr. John, a foreigner and the owner of an immovable property in India, gifted it to Mr. Sam without obtaining previous permission of the Reserve Bank of India under Section 31 of the Foreign Exchange Regulation Act, 1973. Discuss whether a transaction entered into in contravention of Section 31 of Foreign Exchange Regulation Act, 1973 is void or is only voidable at one of the party' instance? How can the present gift be enforced to effectuate the transfer? Explain with the help of recent case laws if any.	5 Marks

4. A firm consisting of two partners Mr. Chela and Mr. Albela owes a sum of Rs. 1,00,000/- to Mr. Akela. Mr. Akela filed a suit to recover the sum against Mr. Chela only and obtained a decree. The decree remains unsatisfied. Mr. Akela now wants to file suit against Mr. Albela to recover the same amount. Can he do so? Explain with reference to relevant provisions of Indian Contract Act, 1872. **3 Marks**

SECTION II  
THE INDIAN PARTNERSHIP ACT, 1932  
THE LIMITED LIABILITY PARTNERSHIP ACT, 2008

5. What are the various modes of dissolution of a partnership firm? Are they all applicable for dissolution of a Limited Liability partnership firm? **5 Marks**
6. Write short notes on any four of the following: **16 Marks**
- i. Liability of holding out with reference to liability of pretended agent under Indian Contract Act
  - ii. Duties and liabilities of a partner
  - iii. Expulsion of a partner
  - iv. Effect of non-registration of partnership
  - v. Minor as a partner
  - vi. Dissolution of Limited Liability of Partnership
7. Tim, Tom and Tammy, carrying on business in partnership enter into a contract with Jerry for sale of 200 tires and other accessories. By reason of their failure to perform the contract, they become liable to pay Rs. 1 crore to Jerry as damages for the breach. Tim dies and as a consequence partnership gets dissolved. Tom who is friends with Jerry pays him 20 lakhs and gets assurance from Jerry that he will not be held liable for the balance. Consider whether the estate of Tim and whether Tammy are liable to Jerry and if so to what extent and whether there is any liability whatsoever outstanding so far as Tom is concerned. **4 Marks**

SECTION III  
THE NEGOTIABLE INSTRUMENTS ACT, 1881

8. Write short notes on 3 of the following: **15 Marks**
- i. Protection given by the Act to the bankers
  - ii. Requisites of a Bill of Exchange
  - iii. Indorsement and essentials of a valid indorsement
  - iv. Noting and protest
  - v. Notice of dishonour
9. Discuss the discharge of parties from liability of a negotiable instrument. **5 Marks**
10. What are the various presumptions as to negotiable instruments? **5 Marks**

**SECTION IV**  
SALE OF GOODS ACT, 1930

11. Write short notes on any 3 of the following: **15 Marks**
- i. Conditions and Warranties
  - ii. Rights of an unpaid seller
  - iii. Auction sales and implied warranties
  - iv. Nemo dat quod non habet
  - v. Destruction of goods and its effect on sale
12. What do you mean by 'delivery'? How it is effected? Explain in brief the rules as to delivery of goods. **10 Marks**
- OR
- What do you mean by 'sale'? What are the essentials of a valid sale? Explain in brief sale by sample and sale by auction.