Legal Environment of Business
BATCH: 2012-14, TERM-1

Maximum Marks: 60
Maximum time: 2 hours

Section A (Case Study) (Marks 2x12=24)

1. Haryana Financial Corporation (HFC) issued an advertisement for sale of the Haryana Tanneries Ltd., a company which had gone into liquidation by way of auction. Bhagat Foods Pvt Ltd. submitted a tender for purchase of the unit for Rs. 90 lakh and it was observed that it was the only bidder for the advertisement. Bhagat Foods Pvt Ltd. also deposited the required earnest money. The offer was subject to confirmation by the MD of the HFC. The right to change the terms and conditions of the tender and to reject any or all the tenders without assigning any reason was also reserved by the HFC.

Bhagat Foods Pvt Ltd before the quotations could be seized revised their offer and also deposited certain additional amount on the assumption that tender was deemed to have been accepted and requested the HFC to hand over the possession of the unit to him. The HFC, however, returned the money to the plaintiff as no decision had been taken on the revised offer. The HFC requested the plaintiff to participate in the fresh tender proposed to be floated. The plaintiff, instead of participating in the fresh tender, filed a suit for permanent injunction restraining the HFC from inviting fresh tenders for the sale of Haryana Tanneries Ltd.

Answer the following: (Marks 4x3=12)

a. Enumerate the main legal points of essential contract which emerged out of this case proposition.
b. Does acceptance of additional amount by HFC bind them into a contract? Explain.
d. Enumerate the difference between permanent injunction and suit for quantum meruitum. Which of these remedies if any be available to Bhagat Foods Pvt. Ltd.

2. A US parent company which is into manufacturing and marketing of soft drinks incorporates a subsidiary company in India. This India Company does well for about five years and in order to diversify also gets into business of confectionary items. Answer the following. (Marks 4x3=12)

a. Does the Indian Company need approval of parent company in US to start a new business? And is this act Ultra Vires of the company? Explain.
b. Can the doctrine of Indoor Management be applicable in this case? Explain.
c. Write a short note on winding up of companies in context of registered companies.
d. What is Rule of majority and who are minority stakeholders in Company? Can the doctrine of prevention of oppression and mismanagement be applicable in this case?
Section B.

Attempt any 12 questions. Each question carries 3 marks. (12x3=36)

1. "Y" an immigrant floats his company in India. Enumerate the points for incorporation of company under The Company Act, 1956 for him.

2. "A" goes to a Doctor to get himself treated for a fracture. The Doctor being his friend charged him nothing for the treatment. The fracture develops some complications because of negligence on part of the Doctor. Is "A" a consumer. Explain.

3. "X" sold to "Y" certain animals which were suffering from a fatal disease. When inquired about the health of animals he categorically stated that animals were in a healthy state. Explain the proposition of misrepresentation and fraud and accordingly defend "X".

4. "A" gives a crossed cheque to "B" who further endorses it to "C". Is it a valid endorsement? Also write a short note of endorsement, negotiability and transferability of Negotiable Instruments Act, 1881.

5. Below is the picture of Twinings Darjeeling tea. Identify each Intellectual Property Right applicable in this picture, their term and characteristics.

6. Enumerate various points on your strategy to protect the Intellectual Property Rights of below mentioned product (Car).
7. Rohan came across an advertisement on the television where a computer was being wrongly described with highly exaggerated features. Can he move a consumer forum as a consumer under CPA. Explain in details.

8. "C" a minor takes tuitions from "B". After "C" completes the age of 18 can "B" claim the tuition fees back from "C". Give reasons in support of your answer. Is rule of estoppels applicable against a minor? Explain.

9. Enumerate the difference between civil and criminal liability. And write a short note on legal environment in India.

10. "A" is a doctor and runs his own clinic. He also visits hospitals in the near vicinity but does not charge these hospitals. His X ray machine in clinic develops a defect. Can he file a consumer complaint. Explain.

11. Is currency note a Negotiable instrument? Write a short note on holder and holder in due course.

12. "A" orders a television of certain brand and colour. He was to pay on getting the possession of the goods. After he gets the delivery of goods the television is not of the brand agreed but the colour was as promised. Does "A" have a remedy under SOGA, 1930. Explain.

13. "A" a seller agrees to transfer the ownership on full payment by "B" on a certain date though he transfers the possession. B is negligent with the goods. As a result the goods get damaged. Who will bear the loss and why? Is "A" an unpaid seller.

14. Write a short note on sale and agreement to sell.
PGDM (2013-15)
Final Exam, Term - I
Legal Environment of Business

Time Allowed: 3.00 hrs
Maximum Marks: 60

Support answers with relevant case laws and examples.
All questions carry 3 marks.

Part A

ABCL issued an advertisement for sale of its subsidiary XYZ Ltd., a company which had gone into liquidation by way of auction. Bhagat Foods Pvt. Ltd. submitted a tender for purchase of the unit for Rs. 90 lakh and it was observed that it was the only bidder for the advertisement. Bhagat Foods Pvt. Ltd. also deposited the required earnest money. The offer was subject to confirmation by the MD of the ABCL. The right to change the terms and conditions of the tender and to reject any or all the tenders without assigning any reason was also reserved by the ABCL.

Bhagat Foods Pvt Ltd before the quotations could be seized revised its offer and further deposited Rs. 70,000/- additional amount on the assumption that their tender was deemed to have been accepted and requested the ABCL to hand over the possession of the unit to them. The ABCL, however, returned the money to the plaintiff as no decision had been taken on the revised offer. The ABCL requested the plaintiff to participate in the fresh tender proposed to be floated. The plaintiff, instead of participating in the fresh tender, filed a suit for permanent injunction restraining the ABCL from inviting fresh tenders for the sale of XYZ Ltd.

Answer the following:

a. Enumerate the main legal points of essential contract which emerged out of this case proposition.

b. Is the payment of additional amount of Rs. 70,000 and its acceptance by ABCL an implied legal contract? Explain giving reasons.

c. An income tax assessee, A, formed four companies and transferred his investments to each of these companies in exchange for shares. Now the companies received his income but they handed back the amount to him as pretended loan. His income was thereby divided into four parts reducing his tax liability.

d. Can the corporate veil of four companies be lifted in this case? Explain the concept with the help of the above case let.

e. What is doctrine of ultra vires and indoor management? Is it applicable in this case? Explain.
If these companies were limited by shares, can the doctrine of oppression and mismanagement be applied in this case? Explain.

Part B

1. Answer any 15 of the following. Marks (15x3=45)

✓ X was in party with his friends. They took alcoholic drinks after which X negotiated a contract with Y. At the time of execution of contract X denied performance claiming that the contract was null and void. Define free consent and defend giving reasons either Y or X.

✓ A has one cloth shop in a shopping mall. He hires employees for his shop for 1 year. The municipal council declares the shopping mall to be an unauthorized construction and thereby A is forced to close his shop. The employee of A, are asked to leave. These employees sue A for breach of contract. What are remedies of breach of contract? Explain defending either A or employees.

✓ X, a partner in a firm dies. His assets are transferred to his minor daughters. Is this transfer valid? Explain the position of a minor in a contract.

✓ Explain the regulatory framework of laws in India.

OR

✓ Explain the liabilities for misstatement in prospectus.

✓ Define endorsement, negotiability, holder and holder in due course. Explain with the help of examples.

✓ X is the payee of cheque. Y steals and endorses it in his own favour. Y further endorses it in favour of Z, who takes it in good faith and for valuable consideration. Can Z, hold the cheque? Explain. And write a short note on dishonouring of cheques.

✓ P, an eye surgeon, purchased a machine from R for the clinic run by him. The machine was found to be a defective one. R contended that P was not a consumer under the Act as the machine was bought for commercial purposes. Defend P.

✓ Distinguish between Unfair Trade Practices and restrictive trade practices.

✓ Father asks his minor son to buy a laptop on credit. The laptop on use develops a defect. Can the minor have a remedy against the seller? Further
there was a default in payment of credit, whom will the shopkeeper recover the amount from and why? Explain.

10. "A" bought a laptop of a certain popular brand on internet. On delivery it was found that neither the brand nor model was as showed on net, had been delivered. Defend "A" to avail remedy against the shopkeeper citing relevant laws of conditions and warranties.

11. X sells to Y a car which is to be delivered to Y the next week. Y is to pay the price on delivery. X asks his servant to park the car separately. C, my mistake hits the car with his bike and it gets damaged. Who shall bear the loss and why?

12. Distinguish between sale and agreement to sell.

13. What will the liability of private company if it fails to hold a statutory meeting? Write a short note on AGM, EGM, ordinary and special resolutions.

14. Who is an Official liquidator? Write a note on Voluntary winding up of company.

15. Enumerate the difference between Executive and Non executive Directors. Write a short note on their rights and duties in companies.

16. Enumerate different Intellectual property of the following product.

17. What are Intellectual Property Rights? Write a short note on Trademarks, Geographical Indications, Copyrights and patents, their grant and duration for validity.
Section A (Case Study)

1. ABCL issued an advertisement for sale of its subsidiary XYZ Ltd., a company which had gone into liquidation by way of auction. Bhagat Foods Pvt. Ltd. submitted a tender for purchase of the unit for Rs. 90 lakh and it was observed that it was the only bidder for the advertisement. Bhagat Foods Pvt. Ltd. also deposited the required earnest money. The offer was subject to confirmation by the MD of the ABCL. The right to change the terms and conditions of the tender and to reject any or all the tenders without assigning any reason was also reserved by the ABCL.

Bhagat Foods Pvt Ltd before the quotations could be seized revised its offer and further deposited Rs 70,000/- additional amount on the assumption that their tender was deemed to have been accepted and requested the ABCL to hand over the possession of the unit to them. The ABCL, however, returned the money to the plaintiff as no decision had been taken on the revised offer. The ABCL requested the plaintiff to participate in the fresh tender proposed to be floated. The plaintiff, instead of participating in the fresh tender, filed a suit for permanent injunction restraining the ABCL from inviting fresh tenders for the sale of XYZ Ltd.

   a. Enumerate the main legal points of a valid contract which emerged out of this case.
   b. Is the payment of additional amount of Rs 70,000 and its acceptance by ABCL an implied legal contract? Explain giving reasons. (Marks 5x2=10)

2. Anna Brinda and Clara are Directors of a private limited company which deals in sale of beverages in Northern India. The object clause of the company states as follows:
   “To carry on the business of manufacturers, researchers, consultants, importers, exporters, distributors, stockiest, dealers, franchise holders, bottlers, rebottlers, packers, extractors, pulpers, crushers, grinder of carbonated and non-carbonated drinks, fruit juices, fruit pulp, milk, jams, jelly, sauce, concentrates and flavors (liquid and powder form), food colours, aerated water, green vegetables etc.”

In order to expand business, Clara entered into supply agreement with Daren on behalf of the company for procurement of snacks. For the same purpose, she issued a cheque of Rs 15 Lakhs in favour of Daren as an advance payment. Later Anna and Brinda discovered that Daren was an old friend of Clara and they believe that this has
prompted Clara to enter into contract on behalf of the company. They refuse to honour the contract between the company and Daren.

a. Will doctrine of ultra vires be applicable in this case? Can Daren argue for benefit of indoor management? Discuss.

b. Can the doctrine of lifting of Corporate Veil be applicable in this case? Explain.

c. Write short note on oppression and mismanagement and class action suits. Can any of these remedies be available in this case to Daren. (Marks 4x3 = 12)

Section B.

Attempt any 10 questions. Each question carries 3 marks. (Marks 10x3 = 30)

a. Is it necessary to put all contracts in writing? Arbitration under the 1996 Act is a matter of consent, and parties are generally free to structure their agreement as they see fit. Explain arbitration in light of this statement and write a detailed note on various types of arbitration.

b. How is the preamble of Constitution important for a businessperson in India? How does knowledge of international law help in business? Discuss

c. A and B are negotiating the sale of A’s property to B over the telephone for which B had mentally decided to buy for Rs 40 lakhs. After all the other terms have been negotiated and settled, A says “My final offer is Rs.40 lakhs. Will you buy the property for this price?” At the same time, though, the telephone disconnects, and B does not hear this statement. Is this a valid enforceable contract? Explain giving reasons.

d. A agrees to buy B’s land. Both of them are mistaken as to the actual size of the plot of land: they think the plot is 10 acres in size, whereas it is actually 15 acres in size. Explain valid, void, voidable and illegal with the help of this case preposition.

e. Minors can enforce contracts made in their favour for valuable consideration, because although they cannot incur liability, they are not debarred from acquiring title to anything valuable. Explain the position of a minor in a contract in light of this statement.

f. A, an inventor and manufacturer of guns and ammunition made a sale of goodwill, and agreed with the buyer (a) not to practice the same trade for twenty-five years, and (b) not to engage in any business competing or liable to compete in any way with the business for the time being carried on by the buyer. Is any part of this agreement null and void. Explain.

g. Write a short note on ‘force majeure’ and performance of contract.
h. Discuss provisions related to "Corporate Social Responsibility" as provided under Section 135 and Schedule VII of the Companies Act 2013?

i. Discuss shares, debentures, transfer of shares and transmission of shares.

j. A has inherited Rs 10 lakhs from his grandfather. He wants to incorporate a company using this money. Guide him on incorporation of company and types of companies.

k. Write a short note on types of Directors, and their role in management of the company.

l. Discuss winding up of companies under Companies Act 2013.

m. Write a short note on meetings, their types, quorum and e-governance.

SECTION C

Attempt any 6 questions. Each question carries 3 marks. (Marks 6 X 3 =18)

a. X sells to Y a horse which is to be delivered to Y the next week. Y is to pay the price on delivery. X asks his servant to keep the horse separate from other horses. The horse was kept separate with knowledge and consent of the buyer. The horse, however dies before it is delivered and paid for. Who shall bear the loss and why?

b. A, a manufacturer, agrees to sell some machines to B for a certain price. After the contract is made, the government raises the manufacturing tax on the machines by 20%. A now finds that there is no profit in selling the machines to B at the price fixed and refuses to sell the goods. Explain whether this is breach of sale or agreement to sell. Elaborate the answer by giving the difference between sale and agreement to sell.

c. "A" orders a television of certain brand and colour. He was to pay on getting the possession of the goods. After he gets a delayed delivery of goods and the television is not of the brand agreed but the colour was as promised. Does "A" have a remedy under Sale of Goods Act, 1930 or Consumer Protection Act 1986? Explain. Write a short note on Service and deficiency in service with reference to this case.

d. X, a merchant of Delhi, delivered the goods to a public carrier for delivery to Y, the purchaser at Mumbai on credit. Y paid all freight and delivered the goods to Z with instruction to deliver it to Z. In the meanwhile, X learnt that Y has gone insolvent. What are the rights of X as a seller?

e. Anil bought a car from Hyundai for Rs20 lakhs. The car had been driven for 1000 kms. However, the car has started giving problems and Anil found that the engine has some defect. Write notes on Goods and Defects.
f. Identify different Intellectual property of an iphone and its competitor Samsung. Also write a short note analysing the infringement of IPs comparing the two products.

g. What are Intellectual Property Rights? Write a short note on Trademarks, Trade Secrets, Geographical Indications, Industrial Designs, Copyrights and patents, their grant and duration of validity.

h. Draft a sample Promissory Note and Bill of Exchange. Discuss maker, drawer, drawee and payee in light of the sample Promissory Note and Bill of Exchange.

i. Write a short notes on 'negotiabilty and 'endorsement' of negotiable instruments.
Section A (Case Study)

1. 'A' had his nephew (a minor aged 8 years) missing from home. 'B' was 'A's servant, and he was sent to search the missing boy. After 'B' had left in search of the boy, 'A' issued handbills announcing a reward of Rs. 5001/- to anyone who might find the boy. 'B' who was ignorant of this reward, was successful in searching the boy. When he came to know of the reward, which had been announced in his absence, he brought an action against the employer 'A' to claim this reward.

Enumerate the main legal points of essential contract which emerged out of this case proposition. Are there any remedies for breach of contract available to any of the parties?

Can the nephew be made liable for payment of the reward money to 'B'? Explain the position of a minor in the contract law.

Will the outcome of case change if 'A' becomes insolvent during the pendency of the litigation?

2. The company, Jon Beauforte Ltd., a public listed company was authorized by its memorandum of association to carry on business of readymade garments, gowns, robes, dress and mantle makers, tailors and other activities of allied nature. But later the directors of the company decided to carry on the business of manufacturing veneered panels. For this purpose the company founded a factory. The resolution approving the allocation of funds for factory construction was passed in the Board of Directors meeting. A firm of builders who constructed the factory had brought an action claiming Rs. 10,00,000 and another firm supplied veneer to the company had a claim of Rs. 10,00,00. The company committed a default of payment to the contractors alleging that contract was ultra vires of the company. The matter went into dispute, following which share price of the company fell by 50% within a week.

Will doctrine of ultra vires be applicable in this case? Explain.

Can the contractors press claims under doctrine of indoor management against the company? Explain.

Can the doctrine of lifting of Corporate Veil be applicable in this case? Explain.

Write short note on oppression & mismanagement and class action suits in light of the case facts.
Section B.

Attempt all questions. Each question carries 3 marks.

1. 'Just like all wounds don’t need surgery all disputes need not be settled only through litigation'. Critically examine arbitration in light of this statement and write a detailed note on various types of arbitration.

2. Write a short note on regulatory environment of India.

3. 'A' goes to a shopping mall and picks an expensive crystal vase. As she approaches the payment counter, she is informed that crystal items are not being offered for sale as the company is taking stock of its inventory. 'A' reluctantly goes back to put the vase on the shelf. She is pushed by someone from back and the vase breaks. In light of these facts, answer the following:
   i. Enumerate difference between offer and invitation to offer.
   ii. Who will bear the loss? Explain giving reasons.

4. 'X' sold to 'Y' certain animals which were suffering from a fatal disease. When inquired by 'Y' about the health of animals he categorically stated that animals were in a healthy state. Explain the proposition of misrepresentation and fraud and accordingly defend 'X'.

5. X, a friend of Y agrees to create right in rem in favour of Y for the purchase of oil. X assumes the order was placed for refined oil however Y assumes he has bought olive oil. Goods are sent over to Y's shop.
   i. Is this a valid or void or voidable or an illegal agreement? Explain.
   ii. Is this sale or an agreement to sell? Enumerate differences between the both.

6. 'A' a polio patient is wrongly operated on his right leg instead of left leg by a Doctor in free health check camp. Can 'A' file a consumer complaint? The Doctor attributes the negligence to a defective scan machine. Under what circumstances can the Doctor, file a consumer complaint under the Consumer Protection Act, 1986?

7. Define defects, deficiency, unfair trade practice and restrictive trade practices with the help of examples as provided in the Consumer Protection Act, 1986.

8. Hoshiyar has issued two cheques of Rs 5000/- each to his friend Bhola on his birthday as a gift from him and to Vikreta as payment for goods bought on credit. Both these cheques were returned by the bank with an endorsement “Account closed”. Can Bhola and Vikreta take action against Hoshiyar under the Negotiable Instrument Act, 1881? Also enumerate the legal provisions of the Negotiable Instrument Act on dishonouring of the cheques in India.
9. A has inherited Rs20 lakhs from partition of a joint family property. He wants to incorporate a company using this money. Guide him on the process of incorporation of a company, types of companies, and enumerating differences between them.

10. ‘A’ is a Director in company X. Can ‘A’ be appointed a Director in other companies?
   i. Write a short note on types of Directors, and their role in management of the company.
   ii. How are Board meetings different from Annual general meetings? Define quorum and legal provisions for requisite quorum for board meeting and annual general meetings for different types of companies.

11. Write a detailed note on private placements, rights issue, bonus issue, prospectus, deposits, and payment of dividend.

12. A company has committed a default of Rs 1,50,000. Does the creditor have a right to plead for winding of the company? Write detailed note on winding up of companies.

13. Enumerate different Intellectual property of the following product and write a short note on Trademarks, Geographical Indications, Copyrights and patents, their grant and duration for validity.

MicroHybrid Zero
INSTITUTE OF MANAGEMENT TECHNOLOGY, GHAZIABAD  
MCQ's (LEB) Sec. D

Q.1 When the consent to an agreement is obtained by undue influence, the agreement is voidable at the option of  
1. either of the parties to the agreement  
2. a party whose consent is obtained  
3. a party who obtained the consent  
4. none of the above

Q.2 A Contingent Contract to do or not to do anything on the happening of an uncertain future event:  
1. is never enforceable  
2. is enforceable since the time of making it  
3. becomes enforceable in the immediate possibility of happening of that event  
4. becomes enforceable only on the happening of that event.

Q.3 No contract can arise, if the -  
1. offer is not made to an ascertained person  
2. acceptance is made by an unascertained person  
3. offer is made to an ascertained person  
4. acceptance is made by an ascertained person

Q.4 The property in goods in a contract for sale of specific or ascertained goods, passes to the Buyer when the  
1. Contract is made  
2. Parties intend the property in goods to pass  
3. Price is paid  
4. All of the above

Q.5 Communication of a proposal is complete when it comes to the knowledge of the person to whom it is made.  
1. True  
2. Partially True  
3. False  
4. None of the above.

Q.6 Mere silence is not fraud unless -  
1. the silence is deceptive  
2. there is a change in the circumstances to be brought to the notice of other party  
3. there is a duty to speak  
4. all the above

Q.7 When goods are sent on 'sale or return basis' i.e., on approval to a buyer, the property in the goods passes  
1. When the buyer signs his approval  
2. When the buyer pledges the goods without signifying approval  
3. When the buyer retains the goods after the expiry of time fixed or reasonable time to return the goods  
4. When any of the above stated situations emerges

Q.8 The consideration in a contract of sale is called  
1. Price  
2. Exchange money  
3. Barter money  
4. Reward
Q.9 Under Sec. 19 of the Sale of Goods Act, 1930, the property in goods passes to the buyer
1. When the contract is made
2. When the payment of price is made
3. On delivery of goods
4. When the parties intend the property in goods to pass

Q.10 A Minor's agreement is void. This was held in the case of
1. Mohini Bibe Vs. Dharmadas Ghosh
2. Nihal Chand Vs. Jan Mohamcd Khan
3. Suraj Narain Vs. Sukhu Aheer
4. Chinnaiya Vs. Ramaiya

Q.11 X owes Rs. 10,000 to Y under a contract it is agreed between X, Y & Z that Y shall henceforth accept Z as his Debtor instead of X for the same amount. Old debt of X is discharged, and a new debt from Z to Y is contracted. This is :
1. Alteration of contract
2. Rescission of contract
3. Novation of contract
4. All of the above

Q.12 The Contract of General Insurance is :
1. Contingent
2. Valid
3. Voidable
4. None of these

Q.13 To be covered under misrepresentation, statement must be wrong, but the person making it believed it to be true.
1. True
2. Partly True
3. False
4. None of the above

Q.14 M. by a gift deed transferred certain property to her daughter, with a direction that daughter should pay an annuity to M's brother, as had been done by M. On the same day, the daughter executed a deed in writing in favour of M's brother, agreeing to pay annuity. Afterwards, she declined to fulfil her promise saying that no consideration had moved from her uncle. Which of the following statements is correct?
1. The daughter is bound to pay annuity.
2. There is no valid consideration in this contract.
3. M's brother is a third party to the contract and cannot sue.
4. The daughter is not bound to pay annuity.

Q.15 When the terms of a contract of sale of goods are such that by reserving the right of disposal, the Seller commits breach of the contract, and the goods are appropriated to the contract does not cause the property in goods to pass to the Buyer. It is
1. Partly True
2. True
3. Partly False
4. False

Q.16 Where the buyer wrongly refuses to accept delivery of the goods, the seller may recover the damages
1. for the reasonable charges for the care and custody of the goods
2. for the loss caused by non-acceptance of the goods
Q. 17 According to Sale of Goods Act, 1930, 'Soler' means a person
1. Who only agrees to sell goods
2. Who only sells goods
3. Who sells or agrees to sell goods
4. None of the above

Q. 18 ____________ conditions and warranties are those which have expressly agreed upon by the parties at the time of the contract of sale and are expressly provided in the contract.
1. Express
2. Implied
3. Payment
4. Terms

Q. 19 When a breach of a condition is treated as a breach of a warranty, the buyer can-
1. Repudiate the contract
2. Reject the goods
3. Claim damages
4. None of the above

Q. 20 Delivery of goods to ___________ is deemed to be the delivery of goods if the seller does not reserve the right of disposal of the goods.
1. Carrier
2. Third party
3. Carrier or wharfinger
4. Wharfinger

Q. 21 According to Sec. 15 of the Sale of Goods Act 1930, the implied condition is that the goods shall correspond with
1. Description
2. The sample
3. Either sample or description
4. Both sample and description

Q. 22 As per Sale of Goods Act, a condition is a stipulation
1. Breach of which gives rise to a right to repudiate the contract?
2. Which is collateral to the main purpose of the contract?
3. Which is essential for the main purpose of contract?
4. Both (1) and (3)

Q. 22 When property in goods has not passed to the buyer, the unpaid seller has a right of
1. Withholding delivery
2. Stoppage in transit
3. (1) and (2)
4. (1) or (2)

Q. 23 The intention of the parties to transfer the property in goods from the seller to the buyer can be inferred from the
1. Terms of the contract
2. Conduct of the parties
3. Circumstances of the case
4. All the above
Q.24 The Seller of Goods is deemed to be an Unpaid Seller when the ........ Of the price has not been paid or tendered.
   1. Whole
   2. Part
   3. Substantial portion
   4. Minimal portion

Q.25 In the case of ..........., the sale may be notified to be subject to a reserve or upset price.
   1. Sale by description
   2. Sale by auction
   3. Sale by sample
   4. Sale by estoppels

26. When an unpaid seller, who has exercised his right of lien or stoppage in transit, resells the goods, the buyer
   1. The buyer does not acquire a good title to the goods as against the original buyer
   2. The seller does not have a right to sell
   3. The buyer acquires a good title to the goods as against the original buyer
   4. None of the above

27. A proposal stands revoked
   (a) by communication of notice of revocation by the proposer
   (b) by failure of acceptor to fulfill a condition precedent
   (c) by death or insanity of proposer to the knowledge of acceptor
   (d) all the above.

28. A proposal can be accepted
   (a) by notice of acceptance
   (b) by performance of condition of proposal
   (c) by acceptance of consideration for a reciprocal promise
   (d) all the above.

29. Enforceable agreements are the one
   (a) made by free consent
   (b) parties to the contract are competent to enter into an agreement
   (c) having lawful consideration & lawful object
   (d) all the above.

30. Competency to contract relates to
   (a) age of the parties
   (b) soundness of mind of the parties
   (c) both age & soundness of mind
   (d) intelligence of the parties.