

HONS. 04/006/19

**B.A. LL.B., (Hons.) DEGREE FOURTH (Supplementary) SEMESTER EXAMINATIONS,  
August 2019**

**LAW OF SPECIAL CONTRACTS**

Time: 3 Hours

Maximum Marks: 50

**PART A**

**Answer ANY FIVE Questions**

1. Distinguish between the liability of partners in ordinary and limited liability partnerships.
2. Who can be a principal? When can a principal hold his agent personally liable in the conduct of the agency?
3. What is a cheque? Explain the responsibility of the bank towards the account holder in relation to a cheque issued by him.
4. What is a contract of bailment? Explain the obligations of a bailee.
5. What is meant by merchantability of goods? Explain the application of *caveat emptor* under the Sale of Goods Act, 1930.
6. Is a contract of indemnity, a contingent contract? Explain the liability of the indemnifier in contracts of indemnity.
7. What is an auction sale? Explain the rules for the conduct of a sale by auction.

(4 X 5 = 20 marks)

**PART B**

**Answer ANY TWO Questions**

1. Babu, a servant, buys vegetable for his master from the local grocer on credit and Mumtaz, the master's wife usually settles the bill at the end of each month. Mumtaz refuses to settle the bill for the purchases made in the month of April, 2019 saying that Babu no longer works for her since the end of March, 2019. If Babu had ceased to be employed from 1<sup>st</sup> of April, 2019, discuss the liability of Mumtaz and her husband to pay for the vegetables purchased during the month of April, 2019.
2. James, a dealer of antiques, sold a watch to Raphael who left it with James for polishing it. While it is with James, Marcus sees it and offers to buy it at a high price. James sells it to Marcus. When James told Raphael of what transpired, Raphael refuses to ratify the transaction and wants the watch back. As between James, Raphael and Marcus who has a better title over the watch? Give reasons.
3. Joseph, a partner in a partnership firm, purchases a car and registers it in his name. The purchase price is partly financed with the funds of the firm. The car is used by Joseph for the business of the firm as well as for his personal travels. At the time of dissolution of the firm, will this car be treated as an asset of the firm? Decide with reasons.

(6 X 2 = 12 marks)

**PART C**

**Answer ANY TWO Questions**

1. Explain the concept of mutual agency. What are the other tests for the determination of a partnership?
2. Distinguish between a sale and an agreement to sell. Explain the rules as to delivery of goods in the case of sale of goods.
3. What is a negotiable instrument? Distinguish between the rights of a holder and holder in due course of a negotiable instrument.

(9 X 2 = 18 marks)

\*\*\*\*\*