

# P P SAVANI UNIVERSITY

Fourth Semester of BBA Examination

May 2022

SMBB2230 Statutory Requirement of Business

09.05.2022, Wednesday

Time: 09:00 a.m. To 11:30 a.m.

Maximum Marks: 60

**Instructions:**

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same answer sheets.
3. Make suitable assumptions and draw neat figures wherever required.
4. Use of scientific calculator is not allowed.

**SECTION - I**

**Q - 1** Answer the Following by selecting correct alternative (Any Five). [05]

- (i) An agreement enforceable by law is :  
(a) A voidable contract  
(b) Void  
(c) A contract  
(d) A void Contract
- (ii) An agreement which is enforceable by law at the option of other or others is:  
(a) A contract  
(b) A voidable contract  
(c) Void  
(d) A void contract
- (iii) The Indian Contract Act, 1872 extends to:  
(a) The State of Jammu and Kashmir.  
(b) The Union Territories of India  
(c) The whole of India except the State of Jammu and Kashmir.  
(d) The whole of India.
- (iv) Minimum number of members in case of LLP is  
(a) 1  
(b) 2  
(c) 3  
(d) 4
- (v) Registration of a Partnership firm is :  
(a) Compulsory  
(b) Optional  
(c) Occasional  
(d) None of the above
- (vi) Name of the limited liability partnership shall be ended with :  
(a) Limited  
(b) Limited liability partnership or LLP  
(c) Private Limited  
(d) OPC

**Q - 2** In the month of January, 2021, the nephew of Mr Nowhere absconded from home and no trace of him was found. He sent his servants to different places in search of the boy and among there was the servant named Anywhere, who was the employee of his firm. He was sent to Hardwar and money was given to him for his railway fare [10]

and other expenses. After this, Mr Nowhere issued hand bills offering a reward of Rs. 5,001 to anyone who might find out the boy. Mr Anywhere traced the boy to Rishikesh and there found him. He wired to the defendant who went to Hardwar and brought the boy back to Cawnpore. He gave Mr Anywhere reward of two sovereigns and, afterwards, on his return to Cawnpore, gave him twenty rupees more. Mr Anywhere did not ask for any further payment and continued in the Mr Nowhere's service for about six months, when he was dismissed. He then brought the suit, out of which this application arises, claiming Rs. 5,001 out of the amount of the reward offered by Mr Nowhere under the hand-bills issued by him. He alleged in his complaint that Mr Nowhere had promised to pay him the amount of the reward in addition to other gifts and travelling expenses when he sent him to Hardwar. In the light of the above case, answer the following

1. Whether Mr Anywhere's claim is valid or not.
2. Would your answer change if Mr Nowhere issued handbill before sending Mr Anywhere ?

**OR**

- Q - 2** Novak Inc. has advertised that it would give a reward of \$ 10,100 to anyone who contracted Covid-19 after using its two doses of "Novak-cine" for a certain period. Ms Jelena purchased and took both the doses as per the instructions given to her, even then she contracted Covid-19. She claimed the reward of \$ 10,100. Company resisted the claim on the ground that offer was not made to her and she had also not communicated her acceptance to the offer. [10]

In the light of the above case, answer the following questions :

- (a) What is offer and Acceptance ?
- (b) Do you think Ms. Jelena's claim valid in nature ? Explain.

- Q - 3** Explain the formation and validity of the following LLP with proper reason - [10]

(i) A LLP by name PPSU LLP is formed by three partners namely (1) SLM Limited (2) SOE Private Limited and (3) SOS limited

(ii) A Dogecoin LLP is formed having 4 partners namely

Mr. Eon (Non Resident)

Mr. Tusk (Non Resident)

Mr. Wazirdex (Resident)

Mr Chillercoin (Resident)

They want to name Mr. Eon and Mr. Wazirdex as designated partners.

**OR**

- Q - 3** Explain the essential elements of partnership as per Indian Partnership Act, 1932. [10]

- Q - 4** Attempt any one : [05]

(i) Differentiate between : Cross Offer and Counter offer

(ii) List out the details of Partnership deed

**SECTION - II**

- Q - 1** Answer the Following by selecting correct alternative (Any Five). [05]

(i) A Contract for sale of Goods where property would pass to the buyer on payment of total price would be :

- (a) Sale



- (b) Agreement to Sale
- (c) Hire purchase contract
- (d) Sale on Approval
- (ii) The term "Goods" under Sale of Goods Act, 1930 doesn't include
  - (a) Goodwill
  - (b) Actionable claims
  - (c) Stocks and Shares
  - (d) Harvested Crops
- (iii) A contract for the Sale of Future Good is
  - (a) Sale
  - (b) Agreement to Sale
  - (c) Void
  - (d) hire purchase contract
- (iv) The Negotiable Instruments Act, 1881 is an Act to define and amend the law relating to:
  - (a) Cheques
  - (b) bills of exchange
  - (c) promissory notes,
  - (d) All of the above
- (v) Which is NOT an example of "Promissory Note":
  - (a) "I acknowledge myself to be indebted to B in Rs. 1, 000, to be paid on demand, Tor value received."
  - (b) Mr B, I.O.U Rs. 1,000."
  - (c) "I promise to pay B or order Rs. 500".
  - (d) None of the above.
- (vi) Which court can entertain any offence punishable under section 138:
  - (a) Court not inferior to that of a Judicial Magistrate of the first class.
  - (b) Any court having jurisdiction may entertain such case.
  - (c) Court not inferior to that of a Metropolitan Magistrate.
  - (D) Options A and C are correct.

Q - 2 What is doctrine of Caveat Emptor as per Sale of Goods Act, 1930 ? Also explain the exceptions to the same.

**OR**

Q - 2 Explain the rights of unpaid seller against goods and against the buyer. [10]

Q - 3 Does Negotiable Instrument act allow material alteration ? What way an instrument can be treated as materially altered as per Sec. 87 of Negotiable Instrument Act. [10]

**OR**

Q - 3 What is the penalty for dishonor of cheque as per sec. 138 of Negotiable Instrument Act.? Explain whether cheque dishonor due to signature mismatch qualifies the same penalty criteria as in Sec. 138 with relevant to Parvaiz-Ahmad-Bhat Vs Fida-Mohamamd Ayoub - Jammu and Kashmir High Court case. [10]

Q - 4 Attempt any one. [05]

(i) Differentiate between Promissory note and Bills of Exchange as per Negotiable Instrument Act, 1881.

(ii) Differentiate between Sale and agreement to sale.

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