

BUSINESS & COMMERCIAL LAW

Time allowed - 2 hours

Total Marks - 100

[N.B.- The figures in the margin indicate full marks. Questions must be answered in English. Examiner will take account of the quality of language and the manner in which the answers are presented. Different parts, if any, of the same question must be answered in one place in order of sequence.]

- | | Marks |
|---|-------------|
| 1. What are the essential elements of a valid contract? | 8 |
| 2. On Sunday, Iqbal advertised a table and chairs for sale for BDT 100,000 in the local newspaper. Alvin saw the advertisement and telephoned Iqbal offering him BDT 75,000. Iqbal offered to sell the table and chairs to Alvin for BDT 80,000. He accepted. Two days later, Alvin rang Iqbal and said that he would give him BDT, 85,000 if he delivered the table and chairs as well. Iqbal refused. Alvin said that if he had to collect the table and chairs himself he would only give Iqbal BDT75,000.
Do you think, Alvin and Iqbal have formed a valid contract? If yes, at which stage? | 5 |
| 3. When does an offer lapse as per provisions of Law of Contract? | 8 |
| 4. Mr. 'A' offered to sell a piece of land to Mr. 'B' at BDT 280,000. Mr. 'B' accepted the offer and enclosed a Payment Order of BDT 80,000 in favour of Mr. 'A' and promised to pay the balance amount in five monthly equal installments.
Give your answer regarding the legal status of this issue as per provisions of the Contract Act 1872 with appropriate reason in favour of your answer. | 4 |
| 5. Distinguish between a contract of guarantee and a contract of indemnity. | 6 |
| 6. Describe the responsibilities of the Principal and the Agent when the relationship is based on commercial activities. | 8 |
| 7. (a) Define condition and warranty under a contract of sale of goods.
(b) Explain the consequences of breach of condition and warranty. | 4
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| 8. (a) What is a partnership deed?
(b) State its main contents. | 3
7 |
| 9. Mahjabin Solicitors has four partners Zaara, Ezhan, Zarek and Sunnehra. Zaara, Ezhan and Sunnehra want to invite Leona to be a partner. Zarek does not want to invite Leona to be a partner because he does not feel that she has sufficient experience in a senior position in the firm yet. Zaara, Ezhan and Sunnehra decide to expel Zarek from the partnership and invite Leona to take his place. Zaara also wants to be paid a salary as she carries out many of the administrative functions of the partnership. There is no provision for new partners in the partnership agreement, but the agreement does allow partners to remove partners by majority decision.
Requirement:
Do you think?
a) Zaara, Ezhan and Sunnehra can invite Leona to be a partner without Zarek's consent?
b) Can Zaara, Ezhan and Sunnehra expel Zarek from the partnership on this ground?
c) Is Zaara entitled to a salary for acting in the partnership business?
Give reasons for your answers. | 3
3
3 |
| 10. Who can refer dispute to arbitration? What matters can and what matters cannot be referred to arbitration? | 10 |
| 11. Describe the cases which are considered as "Acts of Bankruptcy" | 7 |
| 12. What are the essential requisites of a Promissory Note? | 5 |
| 13. Explain the circumstances when a banker must refuse payment of his customer's cheque? | 10 |