Bihar Judicial Service (Mains) 2006

Commercial Law · optional paper

1. (a) Define sale and distinguish between sale and agreement to sell.
(b) Explain the principle of "caveat emptor" and point out the exceptions thereto.

2. (a) "A buyer cannot acquire better title to the goods than what the seller has." Explain it and discuss important exceptions to this rule.
(b) What do you mean by delivery? Discuss the rules regarding delivery of goods.

3. (a) What do you understand by a negotiable instrument? Discuss the characteristics of negotiable instrument.
(b) Explain the terms cheque, a cheque in the electronic form and a truncated cheque. Discuss the difference between cheque and bill of exchange.

4. (a) What do you mean by negotiation and assignment? Distinguish between transfer by negotiation and transfer by assignment.
(b) Does a material alteration make a negotiable instrument void? Is there any exception to this rule? Discuss and explain the effect of following alterations of negotiable instrument: (i) The holder of a bill alters the date of the instrument to accelerate the time of payment. (ii) A bill payable three months after date is altered into a bill payable three months after sight.

5. Is company a legal person? What are advantages of legal personality of a company? Discuss the circumstances when the veil of a company can be lifted.

6. What do you mean by memorandum of association? How can an object clause be altered? Discuss the effect of doctrine of ultra vires on alteration of memorandum.

7. (a) What do you mean by misstatement in prospectus? Discuss the liability for misstatement in prospectus.
(b) How can a company be wound up under supervision of court?

8. (a) What are essentials of partnership? How does it differ from Joint Family Business?
(b) What do you mean by implied authority of a partner? Discuss which are and which are not implied authority of partners.

9. (a) Explain the doctrine of holding out and discuss its exceptions.
(b) Can a minor be admitted to a partnership? If so, what will be his rights and liabilities during his minority and after he has attained majority?

10. (a) What do you mean by goodwill of a firm? Can goodwill of a firm be sold?
(b) Can a partner be liable for firm's business even after his retirement?
(c) Discuss the consequences of non-registration of the firm.
(d) Discuss various modes in which a firm can be dissolved.