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EDUCATIONAL AND RESEARCH INSTITUTE
DEEMED TO BE UNIVERSITY
University with Graded Autonomy Status
(An ISO 21001 : 2018 Certified Institution)
Periyar E.V.R. High Road, Maduravoyal, Chennai-95, Tamilnadu, India

## University Theory Examination – FEBRUARY 26

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| NAME OF THE STUDENT: ALEENA BENNY | REGISTER NO: 2550123010222 | Total No. of Pages: 21 |
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Please tick the questions you have attended in the box

| Part A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
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| | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| Part B | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
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| | | ✓ | ✓ | | ✓ | | ✓ | | ✓ | |

| Part C | 21 |
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| | ✓ |

PART- A

1. Agreement is defined as every promises and every set of promises forming Consideration for each other in an agreement.
In other words, " Every contracts are agreements, but all agreement are not Contracts".

2. Tender is an unconditional offer from one party to perform the duties under a contract. If it is validly made and refused, then the promisee have the right to discharged from liability.

3. Fraud means it is the intentional misinterpretation or concealment of a material facts to deceive another party. The aggrieved party may rescind the contract and have the right to claim damages.

4. Share holders:
Share holders are the owners of the company who can contribute share capital and have the rights to vote.

Additional Sheet

1

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Debenture holders:

Debenture holders are the creditors of the company who lends money and receives fixed interest.

5. Warranty is the stipulation collateral to the main purpose of the contract. Its breach entitles the aggrieved party to claim damages but not to reject the goods

6.

| Condition | Warranty |
|---|---|
| * It is the essential stipulation | * It is a collateral stipulation |
| * Breach allows repudiation and damages | * Breach only give the right to claim damages |

7. Contingent goods

These are goods of acquisition for which by the seller depends upon a contingency that may or may not happen in future.

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Additional Sheet: 2

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8. Negotiable instrumentals

Negotiable act, 1881, states that ' A negotiable instrument is a written document transferable by endorsement or delivery, giving the holder the right to receive money.

Types

- Promissory note
- Bill of exchange
- Cheques

9. Share

A share is a unit of ownership in the share capital of a company representing a proportionate interest in its profits and assets.

kind of share are of two types. They are

* preference shares (Redeemable, cumulative, non-cumulative, convertible)

* Equity shares.

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10. Share Warrant.

Share warrant is a bearer document giving title to shares and can be transferred through mere delivery.

Share Certificate

It is a registered documents that are issued to shareholders as a proof of ownership.

The main difference between share warrant and share certificate is, share warrant can be transferred through delivery, but share certificate required a proper registration and procedures.

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PART - B

12. Offer and acceptance

Introduction:

A contract is formed when a party makes a lawful offer and the opposite party accepts it. offer and acceptance are the key founders for a valid contract.

Definition

Offer is when one person signifies to another his willingness to do or abstain from doing something with a view for obtaining the assent of that other. Then he is said to make a proposal.

Acceptance:

According to section 2(b):
when the person to whom the proposal is made signifies his assent, the proposal is said to be accepted.

once the proposal is accepted, then it is said to be a promise.

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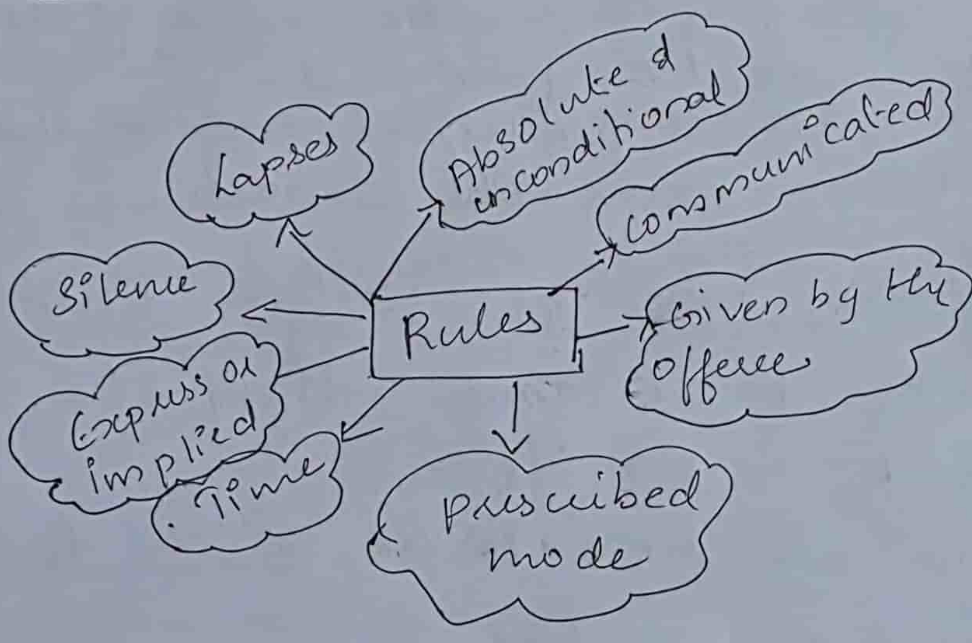
Essentials for a valid offer:

* It should be certain and definite.
* It may be express or implied
* It must be specific or general.
* It should be communicated to the offeree.
* It should show the intention to create a legal ~~legists~~ relation.

Rules for valid acceptance




i) Acceptance should be absolute and unconditional:
Acceptance must correspond exactly with the terms of the offer.
If conditions are added, it is converted to counter offer.

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ii) Acceptance must be communicated
Acceptance must be communicated to the offeror.
Mental acceptance is not valid.

iii) Acceptance must be given by the offeree:
Only the person to whom the offer is made can accept it.

iv) Acceptance must be given in prescribed mode.
If the offer prefers specific mode of acceptance then it must be followed.
If no mode is prescribed, then it should be given in a reasonable manner.

v) Acceptance must be within time:
Acceptance to be done within the time prescribed in the offer.
A reasonable time to be given if the time is not specified.

vi) Acceptance may be express or implied
Acceptance can either be express that is spokken or written, or it should be implied.

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vii) Silence do not amount to acceptance:
Acceptance cannot be presumed from silence unless there is a prior agreement.

viii) Acceptance must be given before offer
If the offer is withdrawn before acceptance, then no valid contract is formed.

13. Essential elements of Contract of Sale

Introduction:
According to sale of goods Act, 1930, Section 4 "A contract of sale is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price.

The essential elements for a contract of sale are as follows:

i) Two parties
ii) Goods
iii) Transfer of ownership
iv) Price
v) No formalities required

vi) Valid contract.

i) Two parties :-
A person cannot sell goods by himself
There must be atleast two parties
↳ Seller
↳ Buyer.

Eg: A sells his land to B.
Here
A is the seller
B is the Buyer.

ii) Goods :-
The subject matter must be goods as defined under the act. money and actionable claims are not goods.
Goods includes
* Existing goods
* future goods
* movable party

Eg: A agrees to sell 500 bags of rice to B.

iii) Transfer of ownership
there must be a transfer of property in goods.

It can be → Immediate or → Future

iv) Price :-
The transfer must be for a price
price means money consideration. If the goods are exchanged for goods, it is called as barter.

v) No formalities required :-
A contract of sale can either be written, oral or implied by conduct.
Eg: Buying groceries from a shop is a implied contract of sale.

vi) Valid contract :-
All essentials of valid contract must be fulfilled as per the Indian Contract act 1872.
The essentials of valid contract are

* Offer and acceptance
* Free consent
* Law consideration
* Lawful object
* Competent parties.

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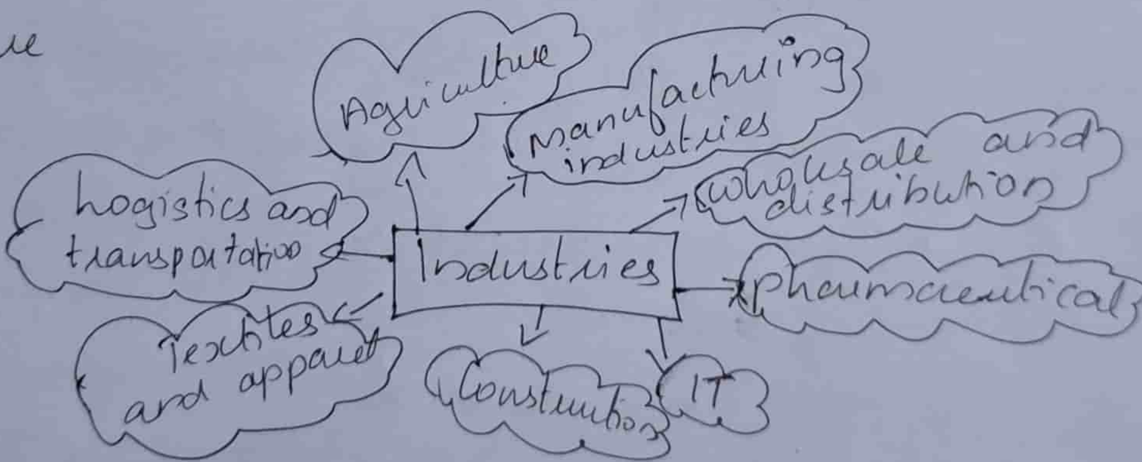
15. B2B E-Commerce

$B_2B$ is derived as Business-to-Business E-commerce refers to the electronic transactions of goods and services conducted between businesses through a common platform.

The deals involve :-
↳ Long term contract
↳ wholesale trading
↳ Bulk transactions
↳ supply chain relationships.

The industries that rely on B2B E commerce are



i) Manufacturing Industry:
Manufacturing companies highly rely on B2B to produce more raw materials, purchasing of machinery and manage supply chain.
The reason for rely on B2B are
→ Faster procurement
→ Inventory management.
→ Cost reduction.

ii) Information Technology Industry:
IT companies provides software solutions, cloud services, cybersecurity services. These services can be sold to other business companies through digital contracts and subscriptions.

iii) pharmaceutical Industry:
These rely on B2B platform for supply of medications to hospitals, managing of supply chain, distribution of products to the pharmacies.

iv) Wholeshale and distribution Industry:
→ Sell goods in bulk to the retainers
→ manages orders digitally
→ Tracks shipment of goods.

v) Construction industry:
↳ purchase building materials
↳ source heavy machineries
↳ procure more raw materials.

vi) Textile and apparel industry:
↳ Exporting of finished goods.
↳ procure raw materials
↳ supply fabrics to designers.

vii) Transportation and logistics industry:
* Manufacturers
* E commerce companies
* Retail chains.

viii) Agriculture and food processing industry:
* sell fertilizers, seeds and machinery
* Supply to food processing companies.

Advantages of B2B

- Reduces transaction costs.
- Global market accesses
- Improved and faster communication.
- Better inventory
- control of inventory.
- Improves supply chain efficiency.

17. Introduction:

under the Indian contract act 1872,
" A communication of acceptance is essential for the formation of valid contract.

General rules:

* The contract is invalid if there is no proper communication for acceptance.
Mental acceptance is not a valid contract.

Importance of communication :-

→ It ensures certainity as well as clarity in agreements.

→ The offeror must know that his offer has been accepted.

→ Legal obligations arises only after communication.

Acceptance by conduct :- (Implied)

In some of the cases acceptance can be implied through conduct.

Eg: IF a performs the required act, then the acceptance is complete.

postal rule :-

postal rule is defined as the acceptance is sent through a post as a source of communication.

The aceptance can be sent through posts when :-

→ communication of acceptance can be completed against the proposer when posted

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↳ It is a complete against the acceptor when it reaches the proposor.

Conclusion:

In general, a contract is not valid without a proper communication of acceptance. Acceptance should either be expressed or implied and it should reach the offeror.

19. Rules regarding performance of reciprocal promise

Definition:

According to Indian contract act 1872, under section 2(F), It states that

"A reciprocal promises are promises which forms the consideration or part of the consideration for each other.

Eg: A agrees to deliver products to B and B agrees to pay the price. Then it is a reciprocal promise.

Rules regarding performance of reciprocal promises ÷

i) simultaneous performance:

when the reciprocal promises are performed simultaneously, no promisor needs to perform unless the other is ready and willing to perform his part.

Eg: If B denies to pay for the product, then A need not to give the product.

ii) order of performance ÷

when the order of performance is fixed by contract, promises must be performed in that order, if order is not done, then in the order they need to be performed in the order required by nature of transaction.

iii) prevention of performance:

If one party prevents the other from performing his promise then

- contract become voidable at the option of party prevented.
- entitled to the compensation for the loss suffered.

iv) Dependent promises :

-> The party who fails to perform first cannot claim the performance for other.

-> He is liable for compensation, when the performance of one promise depends on prior performance of other.

v) Reciprocal promises to do legal and illegal acts

when reciprocal promises consist of a legal act and illegal act, the agreement is void as to the illegal part.

vi) Alternative promises

If one branch of alternative promise is illegal, then the legal part must be enforced.

Types of reciprocal promises.

Reciprocal promises

- mutual and Independent
- mutual and dependent
- mutual and concurrent

Conclusion:

The Indian Contract Act provides a clear rules regarding the performance of reciprocal promises.
These rules ensure fairness and prevents one party from taking advantage of the other party.

Additional Sheet

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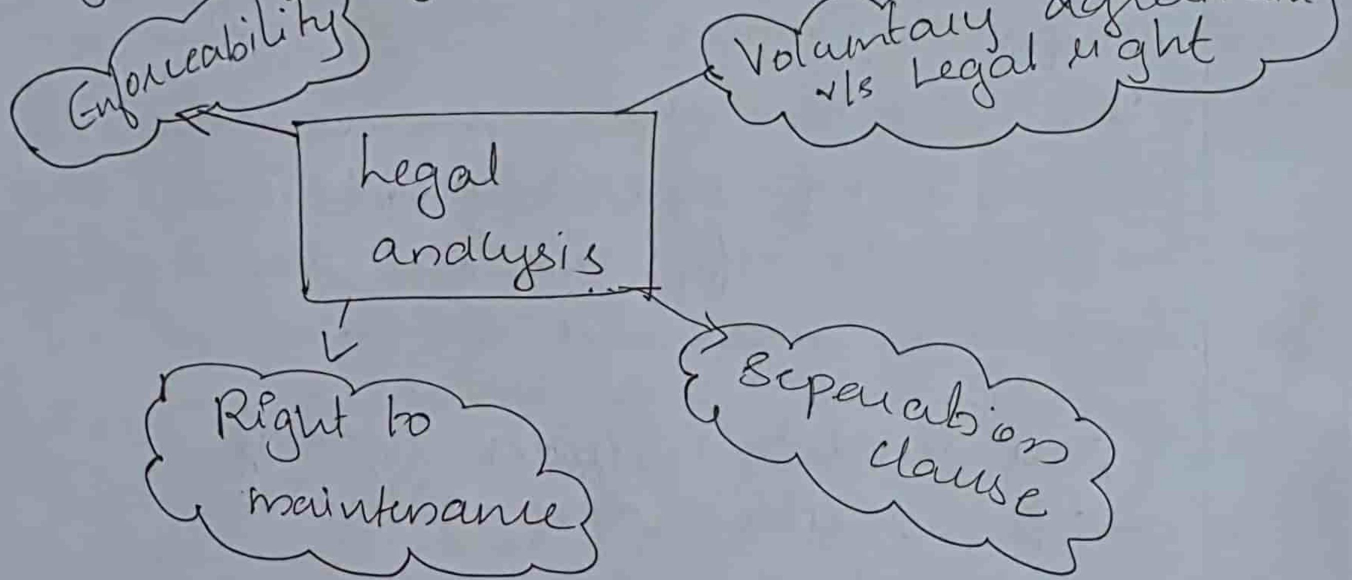
PART - C

21. Legal analysis




i) Enforceability:

If ankita agrees to stay separated and the husband the husband refuses to pay, she can sue for the enforcement of the agreement.

If she stays together or there is a constructive situation preventing separate stay, that clause may be challenged in court as unreasonable.

ii) Right to maintenance :

* under the section 125, a wife is entitled to maintenance, if she is unable to maintain herself.

* the court can order maintenance, if the wife is living separately and she cannot maintain herself and the separation is due to her husband's conduct.

* Maintenance includes money for food, clothing, shelter and other living expenses

iii) Separation clause :

* The agreement says she will receive Rs. 50000 only if she stays separately.

* Indian law does not prevent the wife from claiming maintenance while living separetly if she cannot maintain herself and the separation is due to husband's conduct.

* The court can order maintenance even if the wife living separetly depending upon situations.

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iii) Voluntary agreement vs legal right

* If ankita and aniket can enter into the settlement agreements regarding maintenance.
* But such agreement cannot deprive the wife of her statutory right to maintenance under the section 125 or under the personal laws.

* If the agreement says "only if she stays separetly", a court may modify or enforce maintenance based on the reasonableness and needs of the party.

Conclusion:
Yes, the wife has a right to claim and to receive Rs. 50000 per month. even if she stays separetly as per the agreement also, Indian law supports maintenance claims and also the court can enforce or even modify such agreements.