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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
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

Part C	21
	✓

PART A

(1) An agreement is every promise or set of promises forming consideration for each other between two or more parties. There must be a proposal by one party and it must be accepted by ther another party.

(2) A tender is an offer made by a party to perform their obligation under a contract, such as offering to deliver goods or pay money at the proper time and place.

(3) Fraud means a false representation of a material fact made knowingly, without belief in its truth, or

recklessly, with the intention to deceive another party and induce them to enter into a contract.

(4) Share holders:

Owners of a Company who holds its shares and entitled to vote and receive dividends.

Debenture holders:

Lenders to a Company who hold debentures and are entitled to fixed interest and repayment, but have no ownership rights.

(5) A warranty is a stipulation in a contract that is collateral (secondary) to the main purpose of the contract, the breach of which the right to claim damages but not to reject the goods or cancel the contract.

(6) Condition:

A stipulation is essential to the

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Main purpose of the Contract; it breach allows the aggrieved party to repudiate the contract and claim damages.

Warranty:

A stipulation collateral to the main purpose; its breach only gives the right to claim damages, not to reject goods or cancel the contract.

7. Contingent goods are goods the aquisition of which by the seller depends upon a contingency (an uncertain event) that may or may not happen. The sale of such goods is subject to that event occuring.

8. A negotiable instrument is a writtern document guaranteeing the payment of a specific amount of money, either on demand or at a fixed future date, which is transferable by endorsement to a third person or bearer.

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Types of Negotiable Instruments:

1. Promissory Note.
2. Bill of Exchange.
3. Cheque.

(9) A Share is a unit of ownership in a Company representing a shareholder's portion of the company's capital and entitling them to a part of profits and assets.

Types of Shares:

1. Equity Shares (ordinary shares)
2. Preference Shares
3. Bonus Shares
4. Rights Shares
5. Sweat equity Shares.

(10) A Share warrant is a document issued by a Company stating that

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the bearer of the warrant is entitled to the shares mentioned in it. It is a negotiable instrument and ownership is transferred simply by delivery.

A share certificate is a document issued by a company as proof that a person is the registered owner of specified shares. The owner's name is recorded in the company's register of members.

PART B

(11) **Introduction:**

The Memorandum of Association (MoA) and Articles of Association (AoA) are two fundemental documents required for the incorporation of a company. While both govern company operations, they differ in purpose, scope, and legal significance.

Meaning:

MOA: The charted accountant of a

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Company that defines its objectives, powers, and scope of activities. It sets the limits within which the company can operate.

- AOA:

The internal rule book of a company that regulates management, admin, and the relationship between the company & its members.

Differences between MOA & AOA:

Basis	MOA	AOA
Nature	Fundamental charter	Internal regulations
Purpose	Defines scope and powers	Governs internal management
Position	Supreme Document	Subordinate to MOA
Contents	Name registered office, objects liability, capital	Rules for meetings, directors, voting, dividends.
Scope	External affairs	Internal affairs
Alteration	Difficult, requires legal formalities	Easier; can be altered by special resolution.
Legal effect	Binds company with outsiders	Binds company with members
Ultra vires act	Void and cannot be ratified	Can be ratified if within MOA

Relationship Between MoA & AoA:
- AoA must not conflict with MoA.
- If there is inconsistency, MoA prevails.
- MoA defines limits; AOA prescribes procedures within those limits.

Importance:
- MoA protects shareholders and outsiders by defining company powers.
- AoA ensures smooth internal management and governance
- Together they form constitutional framework of the company.

Conclusion:

The MoA and AoA serve distinct but complimentary roles. The MoA determines the company's external boundaries, while AoA regulates its internal functioning. Understanding their differences is essential for interpreting corporate powers and management roles.

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(13) Introduction:

A contract of sale is a contract whereby the seller transfer the ownership of a goods to the buyer for a price. It is governed by principles of commercial law and must satisfy certain essential elements to be valid and enforceable.

Essential Elements of contract of sale:

1. Two parties:

There must be atleast two distinct parties:

- seller - the person who sells or agrees to sell goods
- Buyer - The person who buys or agrees to buy goods.

A person cannot buy from himself except in special legal capacities.

2. Goods:

The subject matter must be Goods, meaning movable property. Goods may be:

- Existing goods
- Future Goods.

- Specific or Unascertained Goods.

Immovable property like land or buildings are not considered goods under Sale of Goods law.

3. Transfer of Ownership:

The Contract must involve transfer or agreement to transfer ownership of goods from seller to buyer. If only possession is transferred (not ownership), it is not a sale but may be a bailment or lease

4 Price:

There must be a money consideration called price.

- Price must be expressed in money or capable of being calculated in money.

- If goods are exchanged for goods it is barter, not sale.

5. Contractual Agreement.

All essential element of a valid contract must be present.

- Free Consent
- Competent parties
- Lawful object and Consideration
- Not expressly declared void

without these, the Contract of sale is invalid.

6. Delivery of Goods.
There must be delivery or an agreement to deliver Goods. Delivery may be:

- Actual
- Constructive
- Symbolic

Delivery is important for transfer of possession and risk.

7. Intention to transfer ownership:
The parties must intend that ownership passes from seller to buyer. This intention determines whether the transaction is a sale or merely agreement to sell.

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8. Legal formalities (Where Required)

Though most sales may be oral or written, some transactions (like large commercial sales or regulated goods) may require written documents or compliance with statutory rules.

Illustration Example:

If A agrees to sell a laptop to B for Rs 50,000 and B agrees to pay the amount, all elements exist - two parties, good, price agreement, and intention - thus forming a valid contract of sale.

Conclusion:

A contract of a sale is valid only when all essential elements - parties, Goods, price, agreement, and intention - are present. These elements ensures legality, certainity, and enforceability in commercial transactions and forms legal foundation of buying & selling activities

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(15) Introduction:

Industries That Rely on B2B E-commerce

1. Manufacturing Industry

Manufacturers use B2B Platforms to:

- Procure Raw materials and Components
- Manage supplier relationships.
- Automate ordering and inventory systems

Examples include automobile, electronics, and machinery manufacturers

2. Wholesale and Distribution Industry

Wholesalers depend on B2B portals to:

- Sell bulk Goods to retailers
- Manage large orders efficiently
- Track shipments and invoices digitally

3. Information Technology Industry

IT Companies rely on B2B platforms for:

- Software Licensing
- Cloud Services
- Hardware procurement
- Outsourcing and Service Contracts

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4. Pharmaceutical and Healthcare Industry
Hospitals, pharmacies and distributors use B2B systems to:

- Purchase medicines and medical equipment
- Manage supply chains
- Track compliance and expiry data

5. Construction and Real Estate Industry
Construction firms procure materials such as cement, steel, machinery and tools through B2B market places, enabling:

- Competitive pricing
- Bulk ordering
- Vendor comparison

6. Textile and Apparel Industry
Manufacturers and retailers use B2B platforms to:

- Source fabrics and raw materials
- Place bulk garments orders
- Co-ordinate with suppliers globally

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7. Agriculture and Food Processing Industry
Agri business firms rely B2B e-commerce to:
- purchase seeds, fertilizers, Machinery
- Sell produce to wholesalers and exporters
- Access global Commodity Markets

8. Logistics and supply chain Industry:
Logistics Companies use B2B systems for:
- Freight Booking
- Warehouse Management
- Shipment tracking
- Vendor Co-ordination.

9. Benefits of B2B E-Commerce for Industries:
- Reduce transaction costs
- Faster procurement
- Transparent pricing
- Global Market access
- Automated documentation
- Improved Supplier relationships

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Conclusion:

B2B e-commerce has become essential across industries that rely on bulk transactions supply chain integration, and vendor co-ordination. Manufacturing, healthcare, IT, Construction, and logistics sectors particularly depend on it for efficiency and competitiveness. A digitalization expands, B2B platforms will continue to transform industrial operations and global trade.

17

Introduction:

Communication of acceptance is a fundemental requirement for forming a valid contract. In general, a contract is created only when offer is made by on party is accepted by another party and that acceptance is properly communicated. Without communication, mutual consent (consensus ad idem) is absent, and no binding agreement arises.

General Rule:

A contract is not valid if acceptance is not properly communicated to the offeror. Acceptance may be conveyed through words, writing, or conduct so that the offeror knows that the offeree has agreed to the proposal.

Legal Principle:

Reasons why communication is necessary:

1. Proof of Consent:- Communication confirms agreement between parties

2. Certainity of Contract:- It establishes the exact time when the contract is formed.

3. Legal Enforceability:- Courts require evidence of acceptance to enforce obligations.

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Exceptions to the Rule:

In certain case, a contract may still be valid without direct communication:

1. Acceptance by conduct:

If the offeree performs an act indicating acceptance (e.g., using goods sent on approval), the contract is valid though no express communication was made

2. Waiver of communication by offeror:

If offeror states that no communication is required and acceptance can be made by performing an act, communication is unnecessary.

3. Postal Rule (special case):

Under postal acceptance rules, acceptance is complete when the letter of acceptance is posted, even it has not yet reached the offeror.

Effect of Lack of Proper Communication:
- No Contract is formed
- offeror is not bound
- offeree Cannot claim performance or damages.

Illustration:

If A offers to sell goods to B and B silently decides to accept but doesnot inform A, there is no Contract. Howevere, If B sends a letter of acceptance or performs an act as required, a Contract arises.

Conclusion:

A Contract Generally requires proper Communication of acceptance to be valid. Silence, or Unexpressed intention doesnot Create a binding agreement. only when acceptance is Communicated - or falls under recognized exceptions - does a legally enforceable Contract Come into existence.

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(19) Introduction:

Reciprocal promises are promises that form consideration for each other in a contract. In such contracts, each party undertakes obligations toward the other. The law lays down specific rules governing the order and manner in which reciprocal promises must be performed to ensure fairness and clarity.

Meaning:

- One party's promise is consideration for the other's promise, and
- Both parties are bound to perform their respective obligations.

Example: A agrees to deliver goods to B. B agrees to pay the price. Both promises are reciprocal.

Rules Regarding Performance of Reciprocal promises:

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1. Mutnal and Independent promises:
When promises independent, each party must perform his promise independently of the other.

2. Conditional & Dependendent Promises:
If perfomance of one promise depends on prior performance of another:
- The party required to perform first must do before he can demand performance from the other.
- If he fails, he cannot claim performance from the other party.

3. Simultaneous Promises:
Where promises are to be performed simultaneously:
- Each party must be ready and willing to perform his promise
- Neither party is bound unless the other is ready and willing

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4. Order of performance Expressly fixed:
If the Contract specifies the order of performance, it must be followed exactly as agreed by the parties.

5. Order performance is Not fixed:
If the Contract doesnot Specify the order:
- Promises Must be performed in the order required by the nature of the transaction.

6. Prevention of performance:
If one party prevents the other from performing his promise:
- The Contract becomes voidable at the option of the prevented party
- He is entitled to compensation for any loss suffered.

7. Failure of one party to perform
If a party perform his reciprocal promise:

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- The other party is discharged from his obligation.
- The defaulting party may be liable for damages

Legal Significance:

These rules ensure:

- Fair distribution of obligations
- Certainly in performance
- Prevention of unjust advantage
- Smooth execution of contracts.

They help courts determine liability when disputes arise

Conclusion:

Reciprocal promises are central to most commercial contracts, as each party's obligation depends on the other's performance. The legal rules governing their performance establish order, fairness, and enforcebility. Understanding these principles

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is essential for businesses to manage Contractual relationships effectively.

PART C

(21)

Introduction:

Marriage sometimes leads to disputes resulting in seperation arrangements. In this Case, Ankita and Aniket face Constant quarrels leading to marital discord. As part of a settlement, the husband agrees to pay Rs. 50,000 per month as maintenance to his wife, provided she lives separately. Later, the issue arises whether the wife can legally claim this amount.

This Case involves principles of Consideration, lawful object, public policy, and enforceability of agreements between spouces under the Indian Contract Act, 1872.

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Objectives:

- To determine whether the wife has a legal right to claim maintenance under the agreement.
- To understand the validity of agreements between husband and wife for seperatio
- To analyze whether such agreements are opposed to public policy.
- To examine the role of consideration in marital settlement agreements.

Scope:

- Based on Indian Contract Act, 1872
- Relevant Sections: Section 10, Section 23
- Concepts Covered:
  - Lawful Consideration
  - Agreements opposed to public policy
  - Family Settlements
  - Maintenance agreements between spouces

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Facts of the Case:

1. Ankita and Aniket are husband & wife
2. Continous quarrel lead to marital discore
3. As a settlement, husband agrees to pay Rs 50,000 per month.
4. Condition: wife must live separately.
5. Question: Can wife legally enforce this promise?

Issues involved:

1. Whether agreement between husband and wife is a valid contract.
2. Whether living separately as part of settlement is lawful.
3. Whether such agreements are opposed to public policy.
4. Whether valid consideration exists.

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<u>Legal provisions :</u>

1. Section 10 - Essentials of Valid Contract

A valid Contract requires :

- offer and Acceptance
- Lawful Consideration
- free Consent
- Lawful object
- Competency of parties

2. Section 23 - Lawful Object

An agreement is void if its object or Consideration is :

- Illegal
- Immoral
- opposed to public policy.

<u>Analysis :</u>

1. offer and acceptance :

Husband offered to pay Rs. 50,000 Permont. Wife accepted by agreeing to live Separately.

offer acceptance present.

2. Consideration:

Consideration exist in the form of:

- wife agreeing to live seperately and avoid disputes
- Husband agreeing to pay Maintenance

Mutual promises = Valid Consideration

3. Is Living Separately Unlawful?

Normally, Marriage implies Cohabitation. However, when:

- There is Marital discord
- Separation is part of a settlement

Such agreements are recognized as family arrangements, not as destruction of Marriage. Indian Courts have held that agreements for separation and maintenance are valid if made to maintain peace and avoid litigation

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4. Public policy:

Agreements that promote divorce or immorality are void.

But this agreement:

✓ Aims to settle disputes

✓ Ensures wife's financial security

✓ Prevents further conflict

Thus, it is not opposed to public policy.

5. Intention to create Legal Relations:

The amount is fixed Rs 50,000, regular (monthly), and part of a formal settlement. This shows clear intention to create legal obligation, not a social promise.

Judicial View:

Court recognize maintenance agreements between spouses as valid contracts when made:

- voluntarily

- To settle disputes
- For support of the wife

Such agreements are enforceable.

Conclusion:

- Yes, the wife has a legal claim to receive Rs. 50,000 per month.

Reason:

- Valid agreement under Section 10.
- Lawful Consideration
- Not opposed to public policy (Sec. 23)
- Recognized as a family settlement

Therefore, the husband is legally bound to pay maintenance

Key Legal Principles:

1. Agreement between spouses can be valid contracts
2. Mutual promises form valid consideration.
3. Maintenance agreements are not against public policy.
4. Family settlements to avoid disputes are enforceable