

ALLAMA IQBAL OPEN UNIVERSITY

Level: Bachelor
 Paper: Mercantile Law (460)
 Time Allowed: 03 Hours

Semester: Autumn 2009
 Maximum Marks: 100
 Pass Marks: 40

**Note: ATTEMPT ANY FIVE QUESTIONS. ALL CARRY EQUAL MARKS.
 QUESTION NO (8) IS COMPULSORY.**

Q.No.	Questions	Marks
Q.No.1	As an agreement is an essential ingredient of partnership, it follows that a minor cannot enter into an agreement of partnership. Discuss in detail.	20
Q.No.2	What is meant by supervening impossibility or "Doctrine of frustration". What is the effect of this on "performance of contract"?	20
Q.No.3	What are the essential characteristics of a "Contingent Contract"? To what extent the impossibility of the contingency affects the performance of the contract?	20
Q.No.4	When is consent said to be free? What is the effect of such consent on the formation of contract?	20
Q.No.5	What do you understand by an illegal agreement? What is the effect of illegal agreement on collateral transaction?	20
Q.No.6	Discuss the rights & obligations of the parties to a void contract and to avoidable contract after rescission?	20
Q.No.7	What is the difference between "Condition & Warranty"? Under what circumstances a breach of condition is to be treated as a breach of warranty?	20
Q.No.8	<p>(A) Fill in the blanks.</p> <p>i. Acceptance becomes complete, when the letter accepting the proposal is _____ by _____</p> <p>ii. Proposal stands communicated, when the letter is _____</p> <p>iii. A proposal can be revoked _____</p> <p>iv. _____ is unlawful detaining or threatening to detain any person or property to the prejudice of _____</p> <p>v. An agreement achieved by _____ is voidable.</p> <p>(B) Following statements are True or False.</p> <p>i. A person of fifteen years of age is competent to enter into a contract. T/F</p> <p>ii. Ahmed, a Land Lord of hundred years of age, is declared mad. His signatures are obtained for transferring land to Sajid. T/F</p> <p>iii. Coercion is not committing or not threatening to commit any action forbidden by law. T/F</p> <p>iv. The bailee must return the goods on completion of agreed time to the bailor. T/F</p> <p>v. If a bailee gets any profit on the bailed goods in his custody such profit may not be passed on to the bailor. T/F</p>	20