

## ALLAMA IQBAL OPEN UNIVERSITY

**Level:** Bachelor  
**Paper:** Mercantile Law (460)  
**Time Allowed:** 3 hrs



**Semester:** Spring 2009  
**Maximum Marks:** 100  
**Pass Marks:** 40

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

<b>Q.No.1</b>	Discuss the difference between dissolution of a firm & dissolution of partnership. What are the grounds that partnership is dissolved by the court?	<b>20</b>
<b>Q.No.2</b>	What do you mean by offer of performance or tender? State the essentials of a valid tender. Discuss the effect of refusal to accept a valid tender.	<b>20</b>
<b>Q.No.3</b>	Under the Contract Act there are certain relations resembling those created by a contract. Explain by examples.	<b>20</b>
<b>Q.No.4</b>	Define the term "Misrepresentation". What is its effects on the validity of a contract? Distinguish it from "Fraud".	<b>20</b>
<b>Q.No.5</b>	In what cases the object & consideration of an agreement are unlawful. Explain with examples.	<b>20</b>
<b>Q.No.6</b>	<b>Distinguish between.</b> (i) Void agreement & void contract. (ii) Void agreement & illegal agreement. (iii) Void agreement & void able contract.	<b>20</b>
<b>Q.No.7</b>	State the doctrine of "Caveat Emptor" and explain the exceptions to it.	<b>20</b>
<b>Q.No.8</b>	<p><b>(A) Fill in the blanks.</b></p> <p>i) Under.....a person is usually in a position to dominate the will of the other party.                      ii) No contract is valid without lawful.....                      iii) Consideration is related to.....and.....of contracting parties.                      iv) The consideration is valid unless it is.....by law.                      v) Contingent contract cannot be.....by law unless the.....has happened.</p> <p><b>(B) Following statements are True or False.</b></p> <p>(i) Assignment means signing of legal documents by contracting parties. <span style="float: right;">T/F</span>                      (ii) Performance means doing, what the promisor had promised to do. <span style="float: right;">T/F</span>                      (iii) Creditor should not do any thing to deprive the surety of his rights. <span style="float: right;">T/F</span>                      (iv) A principal debtor is not required to indemnify the surety. <span style="float: right;">T/F</span>                      (v) A Guarantee which covers only one case for twelve months continuously is called a "Continuous Guarantee". <span style="float: right;">T/F</span></p>	<b>10</b>

