

Date : 12/06/2019

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**Test Paper : BUSINESS LAW**

1. Mr. Ramaswamy of Chennai placed an order with Mr. Shah of Ahmedabad for supply of urid daal on 10.11.2006 at a contracted price of Rs.40 per kg. The order was for the supply of 10 tonnes within a month's time viz. before 09.12.2006. On 04.12.2006 Mr. Shah wrote a letter to Mr. Ramaswamy stating that the price of urid daal was sky rocketing to Rs.50 per kg. and he would not be able to supply as per original contract. The price of urid daal rose to Rs.53 on 09.12.2006 Advise Mr. Ramaswamy citing the legal position.
2. A contracted with B to supply him (B) 500 tons of iron-steel @ Rs.5,000 per ton, to be delivered at a specified time. Thereafter, A contracts with C for the purchase of 500 tons of iron-steel @ Rs.4,800 per ton, and at the same time C that he did so far the purpose of performing his contract entered into with B. C failed to perform his contract in due course, consequently, A could not procure any iron-steel and B rescinded the contract. What would be the amount of damages which A could claim from C in the circumstances. Explain with reference to the provisions of the Indian Contract, 1872.
3. M Ltd. contracts with Shanti Traders to make and deliver certain machinery to them by 30.06.2004 for Rs.11.50 lakhs. Due to labour strike M Ltd. could not manufacture and deliver the machinery to Shanti Traders. Later, Shanti Traders procured the machinery from another manufacturer for Rs.12.75 lakhs. Shanti Traders was also prevented from performing a contract which it had made with Zenith Traders at the time of their contract with M Ltd. and were compelled to pay compensation for breach of contract. Advise Shanti Traders the amount of compensation which it can claim from M Ltd. referring to the legal provisions of the Indian Contract Act.
4. A agreed to paint a picture for Rs.200 for B. Before painting the picture A dies. Can B hold A's legal representative liable?
5. A agreed to sing a song at B's theatre. Before the due date, the hall is destroyed by fire. Discuss the liabilities of A and B.
6. A promised to marry B. However, A married C and polygamy is not allowed. Advise B.
7. A bank wrongfully dishonoured a cheque of Rs.1,000 belonging to Dhanna Sethi (a Millionaire). He says that his credit has come down to the level of Mohal Lal (a person having only a few thousand rupees) as his cheque of ek hazar, i.e. one thousand has been dishonoured wrongfully by the bank. Advise Dhanna Sethi.

**All The Best**