



Reg. No. :

Name :

First Semester MBL Degree Examination, July 2009
Paper I – GENERAL PRINCIPLES OF CONTRACT

Time : 3 Hours

Max. Marks : 80

Answer **all** questions. **All** questions carry **equal** marks.

1. a) “The idea of mutual assent however elusive in practice is still the basis of the contract” – Explain.

OR

- b) Define consideration. State the exceptions to the rule that an agreement without consideration is void.

2. a) “A contract shall not be enforced if the contract regards it as opposed to public policy” – Explain.

OR

- b) State the basis rules governing the assessment of damages for breach of contract.

3. a) Discuss the condition for imposing criminal liability for dishonour of cheques under the Negotiable Instruments Act.

OR

- b) Under what circumstances is a banker justified in refusing payment of cheques drawn upon him ? What risks does he run in case of an unjustified dishonour ?

4. a) Explain the nature of continuing guarantee. Discuss the rules relating to continuing guarantee referring to case law.

OR

- b) Explain the essentials of a contract of bailment. Discuss the rights of a finder of lost goods.

5. a) “Although sharing of profits is an essential element of partnership, it is not the sole test” – Comment.

OR

- b) What is meant by “implied authority” of a partner ? What are the limitations to the exercise of a partner’s implied authority ?
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