

March 13, 2001

MERCANTILE LAW
FE-1 (PAPER-4) / SPECIAL MODULE

(MARKS 100)
(3 hours)

- Q.1 With reference to the Contract Act, 1872, you are required to answer the following:
- (a) What is meant by consideration? **(04)**
 - (b) What are the legal rules governing consideration? **(04)**
 - (c) What are the rights of surety against the principal debtor? **(05)**
 - (d) Briefly explain the remedies available to an aggrieved party in the case of breach of a contract? **(06)**
- Q.2 Shamsila, a specialist doctor is running a hospital in Lahore. She employed another lady doctor Rizwana, as a physician for a period of three years on a salary of Rs.20,000 per month. The agreement between Dr. Shamsila and Dr Rizwana provided that after the termination of her employment Dr. Rizwana should not practice as a doctor in Lahore within a radius of 20 kilometers of her hospital for a period of one year, and if Dr. Rizwana did so, she should pay Rs.240,000 (one year salary) to Dr. Shamsila's hospital as "**liquidated damages**". Immediately after the completion of her contract, Dr. Rizwana begins to practice as a physician next door to Dr. Shamsila's hospital.
- Dr. Shamsila sued Dr. Rizwana for the recovery of Rs.240,000.
- You are required to answer the relevant provisions of law along with reasons whether Dr. Shamsila will be able to recover the liquidated damages from Dr. Rizwana or not. **(09)**
- Q.3
- (a) What are the rights and duties of an agent? **(04)**
 - (b) How is an agency terminated? **(04)**
 - (c) How the agency can be constituted. **(04)**
- Q.4 With reference to the law of Sale of Goods, you are required to answer the following:
- (a) What is meant by Specific goods, Ascertained goods and Unascertained goods? **(06)**
 - (b) When does the property in unascertained goods passes in a Contract of Sale? **(05)**
- Q.5
- (a) Differentiate between the negotiation by delivery and negotiation by endorsement. **(05)**
 - (b) Define the different ways of discharge of negotiable Instruments under the Negotiable Instrument Act 1881. **(05)**
- Q.6 "A contract of affreightment is made either by a charter party or by a bill of lading"
Explain the following with reference to the above statement:
- (a) Contract of affreightment. **(03)**
 - (b) Charter party. **(03)**
 - (c) Bill of lading. **(03)**

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- Q.7 With reference to the Partnership Act, 1932, you are required to answer the following:
- (a) What is meant by the implied authority of a partner? **(04)**
 - (b) Which acts of a partner are not covered under the implied Authority? **(05)**
 - (c) Briefly explain the term “holding out”. **(05)**
- Q.8
- (a) How is a trust created? **(04)**
 - (b) What are the duties of a trustee? **(04)**
- Q.9 With reference to the law of insurance, briefly explain the following:
- (a) Reinsurance **(04)**
 - (b) Double Insurance **(04)**

(THE END)