

International Islamic University Chittagong
Department of Economics & Banking
Program: BSS (Hons) in Economics & Banking
Semester End Examination, Autumn-2023
Course Code: LAW 2301, Course Title- Business Law

Full Marks: 50

Time: 2.5 Hrs.

Instructions and Information:

- Answer any **Five** of the given questions.
- Figures in the right-hand margin show the mark of each question.
- Please answer all the parts of each question consecutively and to the point.
- Please keep your mobile phone switched off during the examination.

- | | | | |
|----|---|---|----|
| 1. | a. <i>Differentiate</i> the contract of Indemnity and a contract of guarantee. | 2 | C4 |
| | b. What is continuing guarantee? 'A guarantee is revoked by act or omission impairing surety's eventual remedy'. <i>Explain</i> . | 4 | C5 |
| | c. Briefly <i>describe</i> any two rights of surety. | 3 | C2 |
| | d. A becomes surety to C for B's conduct as a manager in C's bank. Afterwards, B and C contract, without A's consent that B's salary shall be raised and that he shall become liable for one fourth of the losses on overdrafts. B allows a customer to overdraw and the bank losses a sum of money. <i>Discuss</i> the consequences to the surety. | 1 | C2 |
| 2. | a. Write the capacity of a principal. Kabir is appointed by Abidto buy a house on his behalf. In this regard <i>determinethe</i> principal and the agent. | 2 | C4 |
| | b. <i>Discuss</i> the following types of Agents: | 3 | C2 |
| | i. Universal Agent | | |
| | ii. Del-credere agent | | |
| | c. It is the duty of an agent not to deal on his own account. – <i>Explain</i> . | 3 | C5 |
| | d. B, a broker, in whose business it is not the custom to sell on credit, sells goods of A on credit to C whose credit at the time was very high. C before payment, becomes insolvent. <i>Make</i> decision regarding a duty of an agent. | 2 | C5 |
| 3. | a. <i>Define</i> contract of sale. Mention the essential characteristics of a contract of sale of goods. Explain any two of them. | 5 | C2 |
| | b. <i>Explain</i> following kinds of goods with examples: | 3 | C5 |
| | i. Existing Goods | | |
| | ii. Future Goods | | |
| | c. A buyer took a horse on a trial for 8 days on condition that if found suitable for his purpose the bargain would become absolute. The horse died on the third day without any fault of either party. <i>Explain</i> the consequences. | 2 | C5 |
| 4. | a. <i>Explain</i> the term 'Negotiable instrument'. | 2 | C5 |
| | b. Briefly <i>explain</i> any two characteristics of negotiable instruments. | 2 | C5 |
| | c. Different estimates by the bankers suggest that hundi is being used to facilitate transactions of over \$250m annually. Is Hundi a negotiable | 2 | C4 |

- instrument? *Justify* your answer.
- d. *Briefly discuss* any two types of negotiable instruments. 4 . C6
- Or,**
- e) It is the duty of a bailee not to mix goods bailed with his own goods. – 2 C5
Explain.
- f) Make a *difference* between bailment and licensing. 2 C4
- g) *A* leaves a cow in the custody of *B* to be taken care of. The cow has given 2 C2
birth to a calf. Who is entitled to the calf? *Discuss.*
- h) *A* lends a horse which he knows to be vicious to *B*. *A* does not disclose the 4 C2
fact that the horse is vicious. The horse runs away, *B* is thrown and
injured. Who is responsible for damages? *Furnish* reasons.
5. a) Partnership is the outcome of contract. – *Explain.* 2 C5
- b) *Briefly explain* the following terms: 4 C5
i. Sharing of Profit
ii. Mutual agency
- c) *Briefly discuss* any four grounds a court may consider good for 4 C5
dissolution of a partnership firm.
- Or,**
5. d) *Explain* the term 'Special damage'. 2 C2
- e) *Write* short notes on: i) Articles of Association, and ii) Memorandum of 4 C2
Association.
- f) *Differentiate* between private and public limited companies. 4 C4

End.