

**LL. B. (3 YEAR DEGREE COURSE) SEM-II (2015 COURSE)**  
**(CHOOSE BASED CREDIT SYSTEM) : SUMMER - 2018**  
**SUBJECT : SPECIAL CONTRACTS**

Day : **Monday**  
Date : **14/05/2018**

**S-2018-1367**

Time : **10.00 AM TO 01.00 PM**  
Max. Marks : **60**

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**N. B. :**

- 1) All questions are **COMPULSORY**.
  - 2) All questions carry **EQUAL** marks.
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**Q. 1 a)** A is the sole proprietor of a firm. He admits B as a partner on the following terms:

- i) B is not to bring any capital.
- ii) B is not to be responsible for any loss.
- iii) B is to receive Rs. 3 lakhs per annum in lieu of profit.
- iv) B is not to enter any contracts on behalf of the firm.

Discuss the legal position of B, highlighting the essential elements of partnership.

**OR**

**b)** A bill is payable to 'M or order'. It is stolen from M and the thief forges M's signature and endorses it to B who takes it as a holder in due course. Discuss the rights of B on the bill with reference to forged endorsement.

**Q. 2 a)** State the doctrine of caveat emptor and explain the exceptions to it.

**OR**

**b)** State and explain the circumstance under which a surety is discharged from his liability.

**Q. 3 a)** What are the rights and obligations of a finder of goods? What is the nature of the lien which finder of goods has over the goods?

**OR**

**b)** What is Contract of Agency? Explain the various modes by which an agency may be created.

**Q. 4 a)** Write short notes on:

- i) Contract of Indemnity
- ii) Promissory Note

**OR**

**b)** Write short notes on:

- i) Pledge by non-owners
- ii) Unpaid Seller

**Q. 5 a)** Discuss the law relating to bouncing of cheques for insufficiency of funds in the account.

**OR**

**b)** "The Indian Partnership Act, has effectively ensured the registration of firms without making it compulsory". Comment.

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