

INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



Spring (August) 2012 Examinations

Tuesday, the 28th August 2012

**BUSINESS LAWS – (S-103)
STAGE – 1**

Time Allowed: 02 Hours 45 Minutes

Maximum Marks: 80

Roll No.:

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- (i) Attempt ALL questions.
 - (ii) Answers must be neat, relevant and brief.
 - (iii) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, effective presentation, language and use of clear diagram / chart, where appropriate.
 - (iv) Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper.
 - (v) DO NOT write your Name, Reg. No. or Roll No. anywhere inside the answer script.
 - (vi) Question No.1 – “Multiple Choice Question” printed separately, is an integral part of this question paper.
 - (vii) **Question Paper must be returned to invigilator before leaving the examination hall.**
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SECTION – “A”

Marks

- Q.2 (a)** ‘Common law’ is a technical law which influenced ‘equity’ to make it a consistent body of doctrine and as technical as ‘common law’. Differentiate between ‘common law’ and ‘equity’. **06**
- (b)** The essence of ‘doctrine of binding precedent’ is that the decisions of the courts higher up the hierarchy of courts are binding upon courts lower in the hierarchy. Define ‘precedent’ and list down its types. **04**

SECTION – “B”

- Q.3 (a)** ‘Contracts of insurance’ and ‘contracts of indemnity and guarantee’ are popular examples of ‘contingent contracts’. Define the term ‘contingent contracts’ under section 31 of the Contract Act, 1872. Discuss any five rules relating to performance of ‘contingent contracts’. **06**
- (b)** “Partnership is based on mutual contract and, therefore, only those who possess the capacity to contract can be partners in a partnership firm”. In the light of this provision can a minor be admitted to a partnership? If so, what are the rules governing his rights? **06**
- (c)** Attempt the following cases, giving reasons for your answers:
- (i)** Amir enters into a contract with Saleem to sell 300 calculators of different models to him and afterwards Amir discovers that Saleem was acting as an agent of Zohaib. Advise Amir as to the person against whom he should bring a suit for the price of calculators. **03**
 - (ii)** Ali offered to sell his horse to Asghar for Rs.65,000. Asghar accepts to purchase it for Rs.63,000. Ali refuse to sell the horse for Rs.63,000. Subsequently Asghar agrees to purchase the horse for Rs.65,000 but Ali refused to sell the horse. Asghar sues Ali for the specific performance of the contract. Will Asghar succeed? **02**
 - (iii)** Rahim is the sole proprietor of a firm. He admits Kashif as a partner on the following terms: (i) Kashif is not to bring any capital, (ii) Kashif is not to be responsible for any loss (iii) Kashif is to receive Rs.100,000 per month in lieu of profits. (iv) Kashif is not to enter into any contract on behalf of the firm. Discuss the legal position of Kashif. **03**

PTO

	Marks
Q.4 (a) The general rule is that “an agreement without consideration is void”. As per section 2(10) of the Sales of Goods Act, 1930 ‘price’ is a money consideration for a sale of goods. Define the term ‘price’. Discuss the various modes of fixing the price in a contract of sale?	07
(b) ‘Presentment’ means showing a negotiable instrument to the drawee, maker, or acceptor thereof for the purpose of acceptance, sight or payment. Discuss any five rules regarding presentment for payment of promissory notes, bill of exchange and cheques. When such presentment becomes unnecessary? (Discuss any five conditions)	10
(c) Section 4(1) of the Sales of Goods Act, 1930 defines a ‘contract of sale’. The term is a generic term and includes both ‘sale’ and ‘agreement to sale’. List down any three essential elements of ‘contract of sale’.	03

SECTION – “C”

Q.5 (a) Discuss the following terms under the Industrial & Commercial Employment (Standing Order) Ordinance, 1968:	
(i) Go-slow	02
(ii) Tickets	04
(iii) Group incentive scheme	04
(b) Briefly state the provisions regarding “working hours of a child”, “notice of periods for child workers” and “register of child workers” under the Factories Act, 1934.	10
Q.6 (a) Define the following under the Workmen’s Compensation Act, 1923:	
(i) Seaman	02
(ii) Dependent	03
(b) As per the Employees’ Social Security Ordinance, 1965 discuss the provisions related to:	
(i) Maternity benefits	02
(ii) Medical care of dependents	03

THE END