

MCQS FILE FOR FINAL TERM EXAMINATION

MGT 611 (Business and Labor Law)

VIRTUAL UNIVERSITY

Question No 1:

The definition of contract is provided by which section of contract Act?

Section 1(d)

Section 1(h)

Section 2(d)

Section 2(h)

Question No 2:

When both contracting parties have completely performed their obligations, the contract is called _____.

Valid contract

Executed contract

Executory contract

Express contract

Question No. 3:

Which of the following stories to bring the principles of the law to such a form that they serve best?

Analytical Jurisprudence

Historical jurisprudence

Ethical jurisprudence

Judicial jurisprudence

Question No.5:

Which section of the contract act says that every agreement by which anyone is restrained from exercising a lawful profession, trade or business, is to that extent void.

Section 26

Section 27

Section 28

Section 29

Question No.6:

Akram promises to employ Ahmed for a salary of Rs.10000 from February next. Which type of contract is it?

Valid contract

Void contract

Unenforceable contract

Executory contract

Question No.7:

A contract is Voidable if it is:

Enforceable by law at the option of aggrieved party

Not enforceable at all

Enforceable if certain conditions are satisfied

Enforceable by both parties

Question No.8:

According to section 17 of contract act, which of the following includes ‘the suggestion, as a fact, of that which is not true by a contracting party who does not believe it to be true’?

Misrepresentation

Fraud

Coercion

Undue influence

Question No.10:

A promise made without intention of performing it amounts to:

Coercion

Innocent misrepresentation

Wrongful misrepresentation

Fraud

Question No.11:

Which of the following is termed as science of civil law?

Jurisprudence

Court

Business law

Labour law

Question No.12:

Which section of Contract Act provides the test of soundness of mind to make a contract?

Section 12

Section 13

Section 14

Section 15

Question No.13:

Competent parties to a valid contract are defined in which section of contract act?

Section 10

Section 11

Section 12

Section 13

Question No.14:

Which of the following studies the basic principles of civil law?

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Both historical and ethical jurisprudence

Question # 1 of 20 (Start time: 06:25:15 PM) Total Marks: 1

If two or more persons agree upon the same thing in the same sense, what is it called according to section 13 of Contract Act?

Select correct option:

Consent

Agreement
Promise
Contract

Reference: "**Consent**" defined Sec. 13: Two or more persons are said to consent when they agree upon the same thing in the same sense.

Question # 2 of 20 (Start time: 06:26:57 PM) Total Marks: 1

Committing, or threatening to commit, any act forbidden by Pakistan Penal Code is called _____.

Select correct option:

Coercion

Fraud
Misrepresentation
Mistake

Coercion **Coercion** defined. "Coercion" is the committing, or threatening to commit, any act forbidden by the Pakistan Penal Code, or the unlawful detaining, or threatening to detain, any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement.

Question # 3 of 20 (Start time: 06:27:37 PM) Total Marks: 1

Coercion is committing, or threatening to commit, any act forbidden by _____.

Select correct option:

Pakistan Penal Code

Criminal Procedure Code
Contract act
Civil Law

Coercion **Coercion** defined. "Coercion" is the committing, or threatening to commit, any act forbidden by the Pakistan Penal Code, or the unlawful detaining, or threatening to detain, any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement.

Question # 4 of 20 (Start time: 06:27:56 PM) Total Marks: 1

A person who promises to compensate the loss in a contract of indemnity is called:

Select correct option:

Indemnifier

Indemnified
Indemnity holder
Indemnity owner

Rights of Indemnifier

A Settled principle of law is that after compensating the loss to indemnity holder, indemnifier is entitled to all the ways and means by which person indemnified might have protected himself for the loss.

Question # 5 of 20 (Start time: 06:28:47 PM) Total Marks: 1

Each party to a contract is both promisor and promisee in case of _____.

Select correct option:

Present consideration

Reciprocal promises

Valid contract

Past consideration

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Question # 6 of 20 (Start time: 06:29:36 PM) Total Marks: 1

Section 126 of Contract Act provides that a contract of guarantee _____.

Select correct option:

May be oral

May be written

May either be oral or written

Must be written

Contract of Guarantee

Contract of Guarantee has been defined in section 126 of a Contract Act which is reproduced below:

“A contract of guarantee is a contract to perform the promise or discharge the liability of a third person in case of his default”. The person who gives the guarantee is called the “surety”; the person in respect of whose default the guarantee is given is called the “principal debtor”, and the person to whom the guarantee is given

Question # 7 of 20 (Start time: 06:30:18 PM) Total Marks: 1

Which section of Contract Act provides the test of soundness of mind to make a contract?

Select correct option:

Section 12

Section 13

Section 14

Section 15

It has also been provided in section 12 that a person who is usually of sound mind but occasionally of unsound mind may not enter into a contract when he is of unsound mind.

Question # 8 of 20 (Start time: 06:31:21 PM) Total Marks: 1

Which of the following is a Contingent Contract?

Select correct option:

Wagering contract

Contract through coercion

Contract for credit sale

Contract of guarantee

Question # 9 of 20 (Start time: 06:32:35 PM) Total Marks: 1

Fraud by one party in a contract is defined in which section of contract act?

Select correct option:

Section16

Section17

Section18

Section19

(1) coercion, as defined in section 15, or

(2) undue influence, as defined in section 16, or

(3) fraud, as defined in section 17, or

(4) misrepresentation, as defined in section 18, or

(5) mistake subject to the provisions of sections 20, 21, and 22.

Question # 10 of 20 (Start time: 06:33:12 PM) Total Marks: 1

Agreements without free consent are voidable under which section of Contract Act.

Select correct option:

Section 19

Section 20

Section 21

Section 22

Agreement without free consent are voidable Section 19 When consent to an agreement is caused by coercion,

undue influence, fraud or misrepresentation, the agreement is a contract voidable at the option of the party whose

consent was so caused, A party to a contract, whose consent was caused by fraud or misrepresentation, may, if he

thinks fit, insist that the contract shall be performed, and that he shall be put in the position in which he would have

been if the representations made had been true

Question # 11 of 20 (Start time: 06:34:30 PM) Total Marks: 1

Which of the following is NOT true about Law?

Select correct option:

Law is to maintain rights

Law upholds justice

Law is used to redress wrongs

Law does not ensures public order

Question # 12 of 20 (Start time: 06:35:03 PM) Total Marks: 1

An agreement to do impossible act, without the knowledge of parties that it is impossible,

_____.

Select correct option:

Is void

Is voidable

Void ab initio

Becomes void on discovery of impossibility

Question # 13 of 20 (Start time: 06:36:01 PM) Total Marks: 1

Common rule of law is that there is no fraud if:

Select correct option:

The other party is deceived

There is some damage of other party

There is no damage of other party

There is false representation

Question # 14 of 20 (Start time: 06:36:55 PM) Total Marks: 1

Mr. A delivers a piece of cloth to tailor to make a suit. This is _____.

Select correct option:

A contract of indemnity

A contract of bailment

A contract of pledge

Not a contract

Bailment

The definition of bailment as contained in section 148 is given here under:

A "bailment" is the delivery of goods by one person to another for some purpose, upon a contract that they

shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of

the person delivering them. The person delivering the goods is called the "bailor". The person to whom they

are delivered is called the "bailee"

Question # 15 of 20 (Start time: 06:38:51 PM) Total Marks: 1

Competent parties to a valid contract are defined in which section of contract act?

Select correct option:

Section 10

Section 11

Section 12

Section 13

Competent Parties The parties to an agreement must be competent in the eyes of law otherwise the agreement cannot be enforced by the court of law. According to section 11, following persons are competent to enter into a contract: having attained the age of majority of sound mind not disqualified from contracting by any law to which he is subject

Question # 16 of 20 (Start time: 06:39:28 PM) Total Marks: 1

If two parties choose to enter into contracts with knowledge of the commercial usage governing them, who will decide the terms of contract?

Select correct option:

Court

Contract act

The two parties

The two parties along with court

It is for the parties to decide on what terms contracts would be entered into and if they choose to enter into contracts with knowledge of the commercial usage governing them, they are bound by them. In a commercial contract, a term may be implied in accordance with the usage of the trade or business to which the contract pertains.

Question # 18 of 20 (Start time: 06:43:00 PM) Total Marks: 1

A contract to do or not to do something, if some event collateral to such contract, does or does not happen is called _____.

Select correct option:

Quasi contract

Wagering contract

Contingent contract

Bilateral contract

Contingent Contract (Sec. 31)

Contingent contract shall be explained in detail in later discussion on the topic.

A contingent contract is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

Question # 19 of 20 (Start time: 06:43:40 PM) Total Marks: 1

According to section 10 of contract act, an agreement in order to become a valid contract, must not be one of those that are expressly declared to be _____ by the law.

Select correct option:

Void

Voidable

Illegal

Unenforceable

Agreements expressly declared void (section 10)

What agreements are contracts? All agreements are contracts if they are made by the free consent of parties

competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly

declared to be void. .Nothing herein contained shall affect any law in force in India, and not hereby expressly

repealed, by which any contract is required to be made in writing or in the presence of witnesses, or any law

relating to the registration of documents. The first paragraph of this section is developed and applied by the

more specific provisions of several following sections, which will be considered as they occur.

Question # 20 of 20 (Start time: 06:45:04 PM) Total Marks: 1

When a party to contract undertakes to perform an “impossibility”, the contract becomes _____.

Select correct option:

Void

Voidable

Void ab initio

Illegal

Agreements contingent on impossible events void (sec 36): ---Contingent agreements to do or not to do

anything, if an impossible event happens, are void, whether the impossibility of the event is known or not to

the parties to the agreement at the time when it is made.

Question: Mr. A borrows Rs. 1000 from Mr. B and keeps his watch as security for payment of debt. It is called _____.

Bailment

Pledge

Guarantee

Indemnity

"Pledge," "pawnor," and "pawnee" defined. The bailment of goods as security for payment of a debt or performance of a promise is called "pledge". The bailor is in this case called the "pawnor." The bailee is called the "pawnee."

Question: Sale of goods on cash is an example of _____.

- Mutual and independent promises
- Mutual and concurrent promises
- Conditional and independent promises

None of the given options

Reciprocal Promises: Section 51

When a contract consists of reciprocal promises to be simultaneously performed, no Promisor need to perform his promise unless the Promisee is ready and willing to perform his reciprocal promise.

Illustrations

- (a) A and B contract that A shall deliver goods to B to be paid for by B on delivery.
 - (b) A need not deliver the goods unless B is ready and willing to pay for the goods on delivery.
 - (c) B need not pay for the goods unless A is ready and willing to deliver them on payment.
- A and B contract that A shall deliver goods to B at a price to be paid by installments, the first installment to be paid on delivery. A need not deliver unless B, is ready and willing to pay the first installment on delivery. B need not pay the first installment unless A is ready and willing to deliver the goods on payment of the first installment.

Agreement regarding sale/Purchase of goods: Seller has to deliver goods and purchaser to pay the amount simultaneously as per agreement

Question: In situations where there are different laws in different provinces, which law shall be applicable?

Law of province in which the contract was made

- Law of province in which the contract was executed
- The federal law instead of provincial laws
- As settled between the parties

Law applicable where different Laws in different Provinces

In such situations the law applicable shall be the law of province in which the contract was made.

Question: Which of the following is not a remedy for breach of contract?

Suit for penalty

Suit for specific performance
Suit upon quantum meruit
Suit for injunction

Compensation for breach of contract where penalty stipulated for: sec. 74 When a contract has been broken, if a sum is named in the contract as the amount to be paid in case of such breach, or if the contract contains any other stipulation by way of penalty, the party complaining of breach is entitled, whether or not actual damage or loss is proved to have been caused thereby, to receive from the party who has broken the contract reasonable compensation not exceeding the amount so named or, as the case may be, the penalty stipulated for.

Question: When a party to contract undertakes to perform an “impossibility”, the contract becomes

_____.

Void

Voidable
Void ab initio
Illegal

Question: According to section 2(b) of contract act, when a proposal is accepted, it becomes:

An agreement
A contract
An offer

A promise

Agreement Every promise or every set of promises, forming the consideration for each other is an agreement. To understand an agreement, we must know what a promise is. The promise has been defined in section 2 (b) of the Act which is reproduced below: **Promise** When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. **A when accepted becomes a promise.**

Question: Which of the following statements about a minor, who by misrepresenting his age borrows money, is true?

He can be sued for fraud
He can be sued for misrepresenting
Liable to return money

Not liable to return money

Refrance: Where a person on attaining majority pays of debt incurred by him during minority, no question of ratification of a contract arises, **since an agreement with a minor is merely void and not unlawful**, the sum paid cannot be sued for subsequently, and in law it must be regarded on the same footing as a Hgift.H

Question: A painter contracts to paint a picture for his customer for Rs. 1000. Who can perform the contract?

The painter himself

Assistant of painter who is also a painter
A student of painter who is learning painting
Painter or his assistant only

Question: The Section 2(g) of contract act defines that an agreement not enforceable by law is said to be:

Void

Valid agreement
Void agreement
Voidable agreement

Question: Which of the following is NOT a classification of jurisprudence?

Analytical jurisprudence
Political jurisprudence
Historical jurisprudence
Ethical jurisprudence

Kinds of jurisprudence including the following: i) Analytical jurisprudence ii) Historical jurisprudence iii) Ethical jurisprudence

Question: Competent parties to a valid contract are defined in which section of contract act?

Section 10
Section 12
Section 13
Section 11

Competent Parties The parties to an agreement must be competent in the eyes of law otherwise the agreement cannot be enforced by the court of law. According to section 11, following persons are competent to enter into a

contract: having attained the age of majority of sound mind not disqualified from contracting by any law to which he is subject

Question: The attainment of justice is the main object of _____.

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Judicial jurisprudence

Ethical jurisprudence It deals with the law that should be in an ideal state. It lays down the different purposes

which should be fulfilled in an ideal state. It studies the modifications in the existing law in order to achieve these

purposes and objects. The main object of ethical jurisprudence is the attainment of justice.

Question: Promises which form the consideration for each other are called _____ promises.

Reciprocal

Dependent

Mutual

Independent

Question: According to section 17 of contract act, which of the following includes „the suggestion, as a fact, of that which is not true by a contracting party who does not believe it to be true“?

Misrepresentation

Fraud

Coercion

Undue influence

fraud, as defined in section 17

Question: When a person positively asserts that a fact is true but his information does not warrant it to be so, though he believes it to be true, this is a case of:

Select correct option:

Fraud

Coercion

Undue influence

Misrepresentation

Question: According to section 11, which of the following persons is NOT considered competent to enter into a contract?

Person attained the age of majority

Person titled a minor by law

Person with a sound mind

Person not disqualified from contracting

According to section 11, following persons are competent to enter into a contract: having attained the age of majority of sound mind not disqualified from contracting by any law to which he is subject

Question: A contract of guarantee comprises of how many agreements?

One

Two

Three

None

Question: Which section of Contract Act provides the test of soundness of mind to make a contract?

Section 12

Section 13

Section 14

Section 11

Question # 1 of 20 (Start time: 07:10:31 PM) Total Marks: 1

Which of the following is an essential of a contract of Guarantee?

Select correct option:

Consideration of a contract

Avoidance of misrepresentation

Can be oral or written

All of the given options

Essentials of a Contract of Guarantee Consideration No misrepresentation Writing not necessary

Question # 2 of 20 (Start time: 07:12:14 PM) Total Marks: 1

Which of the following is termed as science of civil law?

Select correct option:

Jurisprudence

Court

Business law

Labour law

Salmond's versions about jurisprudence

Salmond gives two meanings to the term, one in its wide sense, and another in its narrow sense:

(a) In its primary sense, jurisprudence means 'the science of civil law'

Question # 3 of 20 (Start time: 07:12:56 PM) Total Marks: 1

Unlawful detention of any property belonging to another with a view to obtain his consent amounts to:

Select correct option:

Coercion

Fraud

Misrepresentation

Undue influence

Question # 4 of 20 (Start time: 07:13:27 PM) Total Marks: 1

Which of the following is not a remedy for breach of contract?

Select correct option:

Suit for penalty

Suit for specific performance

Suit upon quantum meruit

Suit for injunction

Question # 5 of 20 (Start time: 07:14:04 PM) Total Marks: 1

Consent under undue influence makes contract _____.

Select correct option:

Valid

Void

Voidable

Unenforceable

Question # 7 of 20 (Start time: 07:17:40 PM) Total Marks: 1

Mr. S delivered some ornaments for safe custody to his neighbor, without any charge for that. This is

_____.

Select correct option:

Contract of indemnity

Contract of bailment

Contract of pledge

Not a valid contract

Question # 8 of 20 (Start time: 07:18:53 PM) Total Marks: 1

Which of the following is NOT an essential for a valid proposal?

Select correct option:

The terms of the offer must be definite and clear

The offer must be capable of creating legal relationships

The offer must be communicated to the other party

The offer must be in written form

Question # 9 of 20 (Start time: 07:20:00 PM) Total Marks: 1

Each party to a contract is both promisor and promisee in case of _____.

Select correct option:

Present consideration

Reciprocal promises

Valid contract

Past consideration (Teacher write here part, which is not a type of consideration)

Question # 10 of 20 (Start time: 07:20:31 PM) Total Marks: 1

According to section 39 of contract act, if promisor refused to perform the contract or disabled himself from

performing the contract, what the promisee can do?

Select correct option:

He must put an end to contract

He may terminate the contract

He can not claim compensation

The contract become void and nothing can be done by promisee

Dissolution of a Firm:

It is contained in section 39

Question # 11 of 20 (Start time: 07:21:49 PM) Total Marks: 1

Promises which form the consideration for each other are called _____ promises.

Select correct option:

Reciprocal

Dependent

Mutual

Independent

Question # 12 of 20 (Start time: 07:22:18 PM) Total Marks: 1

An investigation of the theory of legislation, precedent and custom is done by _____.

Select correct option:

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Political jurisprudence

Analytical jurisprudence It analyses the prevalent law, that is, the principles of law as these exist now. It also

studies theory of legislation, precedent and customs and study of different legal concepts such as property,

possession, trust, contract, negligence etc.

Question # 13 of 20 (Start time: 07:22:59 PM) Total Marks: 1

If two parties choose to enter into contracts with knowledge of the commercial usage governing them, who

will decide the terms of contract?

Select correct option:

Court

Contract act

The two parties

The two parties along with court

Question # 14 of 20 (Start time: 07:24:01 PM) Total Marks: 1

The court may grant rescission in all of the following cases, EXCEPT:

Select correct option:

The contract is voidable by plaintiff

The contract is voidable by blamed

The contract is not performed as per settlement

The contract is breached by one of the party

Question # 15 of 20 (Start time: 07:25:06 PM) Total Marks: 1

According to section 10 of contract act, an agreement in order to become a valid contract, must not be one of

those that are expressly declared to be _____ by the law.

Select correct option:

Void

Voidable

Illegal

Unenforceable

Question # 16 of 20 (Start time: 07:26:10 PM) Total Marks: 1

Which of the following statements about a minor, who by misrepresenting his age borrows money, is true?

Select correct option:

He can be sued for fraud

He can be sued for misrepresenting

Liable to return money

Not liable to return money

Question # 17 of 20 (Start time: 07:27:29 PM) Total Marks: 1

Following are the essentials of a valid acceptance, EXCEPT:

Select correct option:

Acceptance must be conditional

Acceptance must be communicated to the offeror

Acceptance must be in response to an offer

Acceptance must be in prescribed manner

Question # 18 of 20 (Start time: 07:28:22 PM) Total Marks: 1

An offer to perform promise from one of several Joint Promises is:

Select correct option:

A valid offer

An invalid offer

Breach of contract

A conditional offer

Question # 19 of 20 (Start time: 07:29:43 PM) Total Marks: 1

A contract of guarantee comprises of how many agreements?

Select correct option:

One

Two

Three

None of the given options

Question # 20 of 20 (Start time: 07:30:10 PM) Total Marks: 1

The evolution of law over a period of time is studied as _____.

Select correct option:

Historical jurisprudence

Ethical jurisprudence

Legal history

Analytical jurisprudence

Historical jurisprudence It studies history of law and evolution of law over a period of time and also amendments,

introduction of new principles of law. **Scope of Historical Jurisprudence** It studies the principles of law in their

origin and developments that take place over a period of time. We can say that it gives the past history of important

existing legal conception and principles of a particular system. For instance, the origin and development of the

nature of private property, of individual ownership, of contract, etc. The object of historical jurisprudence is to

vindicate the earliest of mankind as they are reflected in ancient law and to point out their relation to the modern

thought. This branch is not the same thing as legal history.

Question:

When a person signifies to another his willingness to do or to abstain from doing anything with a view to

obtaining the assent of that other to such act or abstinence he is, according to section 2(a) of Contract Act,

said to _____.

► **Make a proposal**

- ▶ Make an obligation
- ▶ Formulate a contract
- ▶ Formulate an agreement

Proposal—defined Sec. 2 (a)

When one person signifies to another his willingness to do or to abstain from doing any thing, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal

Question No: 1 (Marks: 1) - Please choose one

Which of the following is NOT true about Law?

- ▶ Law is to maintain rights
- ▶ Law upholds justice
- ▶ Law is used to redress wrongs
- ▶ **Law does not ensures public order**

Question No: 2 (Marks: 1) - Please choose one

Which of the following is termed as science of civil law?

- ▶ **Jurisprudence**
- ▶ Court
- ▶ Business law
- ▶ Labour law

Question No: 3 (Marks: 1) - Please choose one

Principles of law as they currently exist are studied under which of the following?

- ▶ **Analytical jurisprudence**
- ▶ Historical jurisprudence
- ▶ Ethical jurisprudence
- ▶ Both analytical and historical jurisprudence

Question No: 4 (Marks: 1) - Please choose one

Which of the following deals with the law that should be in an ideal state?

- ▶ Commercial jurisprudence
- ▶ Analytical jurisprudence
- ▶ Historical jurisprudence
- ▶ **Ethical jurisprudence**

Question No: 5 (Marks: 1) - Please choose one

By definition, a contract is:

- ▶ An agreement
- ▶ A legal obligation
- ▶ **Both an agreement and a legal obligation**
- ▶ Neither an agreement nor a legal obligation

Question No: 6 (Marks: 1) - Please choose one

According to section 2(e) of contract act, every promise and every set of promises, forming the consideration for each other is:

- ▶ A contract
- ▶ **An agreement**
- ▶ An obligation
- ▶ A proposal

Question No: 7 (Marks: 1) - Please choose one

When a person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of that other to such act or abstinence he is, according to section 2(a) of Contract Act, said to _____.

- ▶ **Make a proposal**
- ▶ Make an obligation
- ▶ Formulate a contract
- ▶ Formulate an agreement

Question No: 8 (Marks: 1) - Please choose one

Mr. Asad agrees to construct Mr. Basheer's house for Rs. 10 lac. What is the consideration for Mr. Asad?

- ▶ Construction of the house by Mr. Asad
- ▶ **Construction of the house by Mr. Basheer**
- ▶ Promise to pay Rs. 10 lac by Mr. Asad
- ▶ Promise to pay Rs. 10 lac by Mr. Basheer

Question No: 9 (Marks: 1) - Please choose one

Consent caused by a Fraud makes a contract:

- ▶ Void
- ▶ **Voidable**
- ▶ Unenforceable
- ▶ Invalid

Question No: 10 (Marks: 1) - Please choose one

A police officer bought a property worth one lac rupees for Rs.50000 from an accused under his custody. The contract was done by:

- ▶ **Undue influence**
- ▶ Fraud
- ▶ Coercion
- ▶ Consent

Question No: 11 (Marks: 1) - Please choose one

In Undue Influence, the consent is obtained by:

- ▶ Threat
- ▶ Fraud

► **Domination**

- Physical force

Undue influence It means the exercise of the power or influence by a person who has some control or

influence on the other person, it is not just the existence of the influence or position of dominance but

to prove undue influence, it is required that influence of the power/ dominance vested in a person has

been exercised to derive undue advantage from the other party. In certain situations a party is in a

position of dominance over other party.

Question No: 12 (Marks: 1) - Please choose one

The dominating party, in case of Undue Influence, can disprove the presumption by arguing all, EXCEPT:

- The facts were fully disclosed
- The consideration was enough
- The dominated party was in a position to receive independent advice
- **The dominated party did not gave his free consent**

Question No: 13 (Marks: 1) - Please choose one

When a person does an act which is against public duty, the agreement is _____.

- Valid
- Void
- Voidable
- **Illegal**

Question No: 14 (Marks: 1) - Please choose one

All of the following are the agreements that are expressly declared to be void by the law, EXCEPT:

- Agreement in restraint of marriage
- Agreements in restraint of trade
- **Agreement made with consideration**
- Agreement by way of wager

Question No: 15 (Marks: 1) - Please choose one

An agreement in which one party agrees to close his business against the promise of the other party to pay some amount is _____.

- Valid
- **Void**
- Voidable
- Unlawful

Question No: 16 (Marks: 1) - Please choose one

Each party to a contract is both promisor and promisee in case of _____.

- ▶ Present consideration
- ▶ Reciprocal promises
- ▶ Valid contract
- ▶ **Part consideration**

Question No: 17 (Marks: 1) - Please choose one

When a contract subsequently becomes difficult to perform due to unanticipated events, it _____.

- ▶ Becomes void
- ▶ Becomes voidable
- ▶ **Is discharged**
- ▶ Is not discharged

Question No: 18 (Marks: 1) - Please choose one

In which of the following cases, the court may refuse to grant rescission?

- ▶ **When plaintiff has not expressly ratified the contract**
- ▶ When parties can not be restored to their original position due to changed circumstances
- ▶ When a third party has acquired right in good faith and value
- ▶ When only a part of contract is to be rescinded and such part can not be separated from the rest of contract

Question No: 19 (Marks: 1) - Please choose one

According to section 148 of Contract Act 1872, the delivery of goods by one party to another for some purpose upon a contract that these shall be returned when promise is accomplished, is called _____.

- ▶ Pledge
- ▶ **Bailment**
- ▶ Guarantee
- ▶ Indemnity

Question No: 20 (Marks: 1) - Please choose one

A pledge can also be called as _____.

- ▶ Bailment
- ▶ Guarantee
- ▶ Indemnity
- ▶ **Pawn**

Question No: 21 (Marks: 1) - Please choose one

A person is appointed as General Manager of a firm. Which of the following is most suitable title for him?

- ▶ Special agent
- ▶ Universal agent

▶ **General agent**

- ▶ Co-agent

Question No: 22 (Marks: 1) - Please choose one

Mr. B, at request of Mr. A, sells goods which Mr. A had no right to sell. Mr. B does not know this and sends money to Mr. A. Afterwards, Mr. C, the true owner of the goods, sued Mr. B and recovers the money. Which of the following is true?

▶ **Mr. A is liable to Mr. B**

- ▶ Mr. B is liable to Mr. C
- ▶ Mr. A is liable to Mr. C
- ▶ Mr. A is not liable to anyone

Question No: 23 (Marks: 1) - Please choose one

Which of the following is **NOT** a duty of principal In contract of agency?

- ▶ To indemnify the lawful acts
- ▶ To pay remunerations
- ▶ **To render accounts (Doubt here)**
- ▶ To indemnify the acts done in good faith

Question No: 24 (Marks: 1) - Please choose one

What is the legal status of a decision about business timings, fixed by a market association, that every shop will be closed by 08:00 PM?

- ▶ Void; as it is in restraint of trade
- ▶ Illegal; as it is imposed on other party
- ▶ Unlawful; as it is against the free consent of the other party
- ▶ **Valid; as it is considered as a general business practice**

Question No: 25 (Marks: 1) - Please choose one

Which of the following is true regarding a Fraud or Misrepresentation if it had not effect the consent and made any damages to a concerned party?

- ▶ It makes the contract void.
- ▶ **It makes the contract voidable.**
- ▶ It renders the contract illegal.
- ▶ None of the given options stand true.

Question No: 26 (Marks: 1) - Please choose one

The soundness of mind of a person is proved by:

- ▶ The capacity of a perosn to recall his past incidents
- ▶ The person's age of majority i-e above 18 years
- ▶ The judgment of court reagrdng the soundness of mind
- ▶ **The capability of understanding terms of contract & act rationally**

Question No: 27 (Marks: 1) - Please choose one

Samina promised to employ Naila for a salary of Rs.3000 from September next. Which

type of contract is it?

- ▶ Contingent contract
- ▶ Void contract
- ▶ Executed contract
- ▶ **Executory contract**

Question No: 28 (Marks: 1) - Please choose one

Ashraf contracted Bilal to buy 1 bale of cotton for Rs.80000 at a specific date. Ashraf also made a contract with Hassan to sell this cotton for Rs.1 lac; Bilal was fully aware of this contract with Hassan, but on the specific date Bilal failed to supply the cotton to Ashraf due to which Ashraf had failed to fulfill the contract with Hassan. In this case Bilal is liable for which kind of damages?

- ▶ Ordinary damages
- ▶ Special damages
- ▶ Exemplary damages
- ▶ **Liquidated damages**

Liquidated damages

Section 74 stipulates that if parties to a contract have mentioned the amount of damages for the breach

at the time of entering into contract, such damages shall be recoverable and these will be called as

liquidated damages, liquidated damages also signifies a fair and reasonable estimate of loss which a

party may suffer due to breach of contract, the section 74 is reproduced here under for reference.

Question No: 30 (Marks: 3)

How does the breach of contract take place? Explain by citing an example.

Answer:

“A breach of contract occurs when a party thereto renounces his liability under it, or by his own act makes it impossible that he should perform his obligations under it or totally or partially fails to perform such obligations.”

Illustration 1:

Mr. Z (seller) enters into a contract with Mr. Y a purchaser for sale of specified goods as per stipulations of contract. Mr. Z breaks his promise; Mr. Y is entitled to receive from Mr. Z a particular amount as compensation.

Question No: 31 (Marks: 5)

Can a Contingent Contract about an uncertain future event be enforced? If yes, when can

it be enforced; and if no, give reasons why it cannot be enforced.

Answer:

Yes, in contingent contract uncertain future even be enforced.

Contingent Contract (Sec. 31)

Contingent contract shall be explained in detail in later discussion on the topic.

A contingent contract is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

Illustrations:

M/S ABC insurance company contracts with Mr. Z to pay Rupees 500,000 if his car is lifted by thieves

Question No: 32 (Marks: 5)

Discuss and explain the statement: "Agency refers to the relationship which exists between two persons, the Principal and the Agent."

Answer:

Contract of Agency

In general terms, Agency refers to the relationship which exists between two persons, the **Principal** and the

Agent in which the Agent has to perform different duties/ functions as per instructions of the **principal** and

also enters into contract with the third party / parties on behalf of the principal. The relationship of agency

plays an important role in business and commercial dealings. This relationship is legal created by virtue of

agreement between **Principal** and **Agent**.

Definition of Agent and Principal: Sec. 182

Agent is a person employed to do any act for another or to represent another in dealing with a third

persons. The person for whom such act is done, or who is so represented, is called the

Principal.

Question # 3 of 20 (Start time: 07:48:04 PM) Total Marks: 1

Misrepresentation has been defined in which section of the Contract Act?

Select correct option:

Section 17

Section 18

Section 19

Section 20

"Free consent defined": Consent is said to be free when it is not caused by: ---

- (1) coercion, as defined in section 15, or
- (2) undue influence, as defined in section 16, or
- (3) fraud, as defined in section 17, or
- (4) misrepresentation, as defined in section 18, or
- (5) mistake subject to the provisions of sections 20, 21, and 22

Question # 5 of 20 (Start time: 07:50:39 PM) Total Marks: 1

In which of the following cases promisee CAN NOT terminate the contract?

Select correct option:

When there is attempted performance

When offer of performance is unconditional

When offer is made at proper place

When offer is to perform one of several Joint Promises

Consequence of refusal to accept offer for performance: Section 38: Where a Promisor has made an offer of performance to the Promisee, and the offer has not been accepted, the Promisor is not responsible for non-performance, nor does he thereby loses his rights under the contract. Every such offer must fulfill the following conditions: ☺ It must be unconditional; ☺ It must be made at a proper time and place, and under such circumstances that the person to whom it is made may have a reasonable opportunity of ascertaining that the person by whom it is made is able and willing there and then to do the whole of what he is bound by his promise to do; If the offer is an offer to deliver anything to the Promisee, the Promisee must have a reasonable opportunity of seeing that the thing offered is the thing which the Promisor is bound by his promise to delivery. An offer to one of several joint promises has the same legal consequences as an offer to all of them

Question # 7 of 20 (Start time: 07:52:15 PM) Total Marks: 1

The Industrial Relations Ordinance came into force in:

Select correct option:

1982

1997

2000

2002

Law relating to industrial relations is governed by Industrial Relations Ordinance, 2002. It extends to the whole of Pakistan

Question # 8 of 20 (Start time: 07:52:43 PM) Total Marks: 1

A person employed to do any act for another is called:

Select correct option:

Employee

Manager

Agent

Principal

Definition of Agent and Principal: Sec. 182

Agent is a person employed to do any act for another or to represent another in dealing with a third persons. The person for whom such act is done, or who is so represented, is called the **Principal**.

Question # 9 of 20 (Start time: 07:52:57 PM) Total Marks: 1

According to Securities & Exchange Commission of Pakistan Act, 1997, _____ means the day on which section 43 comes into force.

Select correct option:

Winding up day

Commencement day

Appointed day

Holiday

“appointed day” means the day on which section 43 comes into force

Question # 11 of 20 (Start time: 07:55:47 PM) Total Marks: 1

Which of the following strives to bring the principles of the law to such a form that they serve best?

Select correct option:

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Judicial jurisprudence

Ethical jurisprudence has as its object the attainment of justice. It strives to bring the principles of the law to such a form that they serve best that end.

Question # 12 of 20 (Start time: 07:57:07 PM) Total Marks: 1

Application to register a trade union includes all of the following, EXCEPT:

Select correct option:

The name of the trade union and the address of its head office

Date of formation of the trade union

The titles, names, ages, addresses and occupations of the office bearers of the trade union

Statement of total unpaid membership

Requirements for application: It has been defined in section 5 of the ordinance which is given below: An application for registration shall be made to the Registrar and shall be accompanied by- (a) A statement showing- (i) The name of the trade union and the address of its head office; (ii) Date of formation of the trade union; (iii) The titles, names, ages, addresses and occupations of the office bearers of the trade union; (iv) Statement of total paid membership; (v) The name of the establishment, group of establishments or the industry, as the case may be, to which the trade union relates along with a statement of the total number of workers employed therein; (vi) The names and addresses of the registered trade unions in the establishment, group of establishments or industry, as the case may be, to which the trade union relates; (vii) The names, addresses and registration number of member trade unions, in case the application is made by a federation of trade unions;

Question # 13 of 20 (Start time: 07:57:45 PM) Total Marks: 1

Which of the following is true about the essentials of valid acceptance of a bill of exchange?

Select correct option:

It must be in writing

It must be signed by drawee or his agent

The acceptance must appear on the bill

All of the given options

Essentials of Valid Acceptance: ☺ Must be in writing ☺ Signed by drawee or his agent ☺ Acceptance must appear on the bill ☺ Accepted bill must be delivered to the holder

Question # 14 of 20 (Start time: 07:58:24 PM) Total Marks: 1

All of the following are the powers of trustee, EXCEPT:

Select correct option:

To sell trust property

To apply property for the benefit of the minor

To use trust property for any purpose

To give receipt

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Question # 15 of 20 (Start time: 07:58:57 PM) Total Marks: 1

Companies Ordinance, 1984 replaced which of the following?

Select correct option:

Companies Act, 1913

Companies Ordinance, 1936

Companies Act, 1953

Companies Ordinance, 1964

At the time of independence, Companies Act, 1913 prevalent in undivided India was adapted by a government of Pakistan. Companies Act, 1913 was replaced by Companies Ordinance, 1984 which is the law relating to company.

Question # 16 of 20 (Start time: 07:59:32 PM) Total Marks: 1

Promises which form the consideration for each other are called _____ promises.

Select correct option:

Reciprocal

Dependent

Mutual

Independent

Promises which form the consideration or part of the consideration for each others are called reciprocal promises.

Question # 17 of 20 (Start time: 08:00:43 PM) Total Marks: 1

Which of the following is necessary for the registration of a company?

Select correct option:

To seek approval of the name of the company proposed by the promoters

Preparation of required documents to be submitted for registration

Filing of application for registration of the company

All of the given options

Question # 1 of 20 (Start time: 08:04:29 PM) Total Marks: 1

Fraudulent misrepresentation as to contents of documents makes the contract _____.

Select correct option:

Void

Voidable

Illegal

Enforceable

Question # 2 of 20 (Start time: 08:05:18 PM) Total Marks: 1

Which section of the contract act says that every agreement by which anyone is restrained from exercising a lawful profession, trade or business, is to that extent void.

Select correct option:

Section 26

Section 27

Section 28

Section 29

Agreements in restraint of trade (sec. 27)

Every agreement by which any one is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void.

Question # 3 of 20 (Start time: 08:06:53 PM) Total Marks: 1

Which of the following was subsequently repealed from the contract act?

Select correct option:

Sections 76 to 123

Sections 124 to 147

Sections 148 to 181

Sections 182 to 238

Sections 76 to 123 were related to contracts of sale of goods, these sections stand repealed by introduction of new law i.e. Sale of Goods Act, 1930.

Question # 4 of 20 (Start time: 08:08:10 PM) Total Marks: 1

Which of the following is NOT a kind of shares of a limited company?

Select correct option:

Capital share

Preferred share

Deferred share

Bonus share

Kind of shares: --Equity Shares --Preferred Shares --Deferred Shares --Bonus Shares

Question # 5 of 20 (Start time: 08:09:17 PM) Total Marks: 1

Those damages which naturally arise as the result of breach of contract are called:

Select correct option:

Ordinary damages

Special damages

Liquidated damages

Nominal damages

Liquidated damages

Section 74 stipulates that if parties to a contract have mentioned the amount of damages for the breach at the time of entering into contract, such damages shall be recoverable and these will be called as liquidated damages, liquidated damages also signifies a fair and reasonable estimate of loss which a party may suffer due to breach of contract, the section 74 is reproduced here under for reference.

Question # 6 of 20 (Start time: 08:10:47 PM) Total Marks: 1

As per Companies Ordinance, 1984, the maximum number of persons in a firm is:

Select correct option:

10 persons

20 persons

30 persons

50 persons

Question # 7 of 20 (Start time: 08:11:55 PM) Total Marks: 1

Authority vested in the _____ where registered office of the company is proposed in the memorandum of association to be situated.

Select correct option:

City

District

Division

Province

Authority of issuing certificate of incorporation: Authority vested in the province where registered office of the company is proposed in the memorandum of association to be situated.

Question # 8 of 20 (Start time: 08:12:32 PM) Total Marks: 1

A 'Statement of Ethics and Business Practices' for directors and employees of a listed company is prepared by:

Select correct option:

Board of directors

Executive directors

Chairman of the company

Securities and Exchange Commission

a 'Statement of Ethics and Business Practices' is prepared and circulated annually by its Board of Directors to establish a standard of conduct for directors and employees,

Question # 9 of 20 (Start time: 08:13:16 PM) Total Marks: 1

When a promisee refuses to accept performance from the promisor, it is called _____.

Select correct option:

Tender

Frustration of contract

Vicarious performance

Attempted performance

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Question # 11 of 20 (Start time: 08:15:23 PM) Total Marks: 1

How shall a prosecution for any offence under SECP Act against any person be instituted?

Select correct option:

With the consent of commission

At the will of any two Commissioners

By the appeal of aggrieved party

By suo moto action of the court

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Question # 12 of 20 (Start time: 08:16:37 PM) Total Marks: 1

Which of the following condition is considered to be a compulsion for a contract?

Select correct option:

Only an offer

Only an acceptance

Offer and acceptance

Offer, acceptance and documentation

There must be an offer and acceptance of that offer.

Question # 13 of 20 (Start time: 08:17:04 PM) Total Marks: 1

The transfer of ownership in exchange for a price paid or promised or part-paid and part-promised is called:

Select correct option:

Sale

Contract for sale

Agreement of Sale

Lease

Sale: It has been defined in section 54 of the Act which is given below: "Sale" is a transfer of ownership in exchange for a price paid or promised or part-paid and part-promised.

Question # 14 of 20 (Start time: 08:17:47 PM) Total Marks: 1

Within how many days from the receipt of the application to register a trade union, the register shall issue a registration certificate?

Select correct option:

7 days

10 days

15 days

30 days

Question # 16 of 20 (Start time: 08:19:34 PM) Total Marks: 1

As per section 25 of the Partnership Act, 1932, all the partners of a firm share liabilities of the firm:

Select correct option:

Just mutually

Just individually

Mutually and individually

None of the given options

Sec. 25 of the Act lays down that all the partners of a firm, jointly and severally, share liabilities of the firm therefore, even where a partner has signed in his own name a promissory note for the benefit of the firm, all partners are liable on it as members of the partnership

Question # 17 of 20 (Start time: 08:20:44 PM) Total Marks: 1

Mr. A contracts to pay Mr. C Rs. 10000 if Mr. C's house is burnt. Which type of contract is it?

Select correct option:

Absolute contract

Bilateral contract

Quasi contract

Contingent contract

"Contingent contract" has been defined in section 31 of the Contract Act which is reproduced below:

A "contingent contract" is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

Illustrations: ☹ M/S ABC insurance company contracts with Mr. Z to pay Rupees 500,000 if his car is lifted by thieves. ☹ Contract between the client and his counsel regarding payment of agreed professional fee if the suit turns out to be successful ☹ Contracts to pay B Rs. 10,000 if B's house is burnt.

Question # 18 of 20 (Start time: 08:22:10 PM) Total Marks: 1

All of the following are true about Articles of Association, except:

Select correct option:

It is subordinate to memorandum of association

It is a doctrine of indoor management.

An alteration in it can be made through a special resolution by the company

It rises the contracts between the company and the out side world

Question # 19 of 20 (Start time: 08:22:38 PM) Total Marks: 1

In which section of Contract Act, the definition of proposal is provided?

Select correct option:

Section 1(e)

Section 1(F)

Section 2(a)

Section 2(d)

Proposal—defined Sec. 2 (a)

When one person signifies to another his willingness to do or to abstain from doing any thing, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal.

Question # 20 of 20 (Start time: 08:23:36 PM) Total Marks: 1

At the first annual general meeting of the company directors shall be elected in their place in accordance with section 178 for a term of:

Select correct option:

1 year

2 years

3 years

5 years

At the first annual general meeting of the company, all the directors shall stand retired from office. and directors shall be elected in their place in accordance with section 178 for a term of three years.

Question # 1 of 20 (Start time: 08:25:36 PM) Total Marks: 1

Which of the following is NOT expressly declared to be void by the law?

Select correct option:

Agreement in restraint of trade

Agreement in restraint of legal proceedings

Agreement contingent upon possible events

Reciprocal promises to do illegal acts

Question # 2 of 20 (Start time: 08:26:44 PM) Total Marks: 1

Consent under undue influence makes contract _____.

Select correct option:

Valid

Void

Voidable

Unenforceable

Question # 3 of 20 (Start time: 08:27:56 PM) Total Marks: 1

Enforceability of a contingent contract is described in which section of contract act?

Select correct option:

Section 31

Section 32

Section 33

Section 34

Contingent Contract (Sec. 31)

A contingent contract is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

Question # 4 of 20 (Start time: 08:28:29 PM) Total Marks: 1

When a party to contract undertakes to perform an “impossibility”, the contract becomes _____.

Select correct option:

Void

Voidable

Void ab initio

Illegal

An agreement to do an act impossible in itself is void.

Question # 5 of 20 (Start time: 08:29:36 PM) Total Marks: 1

When a promise is to be performed without application of promise, and no place is fixed for the performance of it, what the promisor can do to perform the promise?

Select correct option:

He can perform the promise anywhere

He must perform the promise at promisee’s house

He has to apply to the promise to appoint a place

He is not liable to perform the promise as the contract is not valid

Place for performance of promise-- Section 49

When a promise is to be performed without application by the Promisee, and no place is fixed for the performance of it, it is the duty of the Promisor to apply to the Promisee to appoint a reasonable place for the performance of the promise, and to perform it at such place.

Question # 6 of 20 (Start time: 08:30:14 PM) Total Marks: 1

Within how many days from the date of the making of the winding up order, a certified copy of the order shall be filed with the registrar?

Select correct option:

7 days

10 days

15 days

30 days

Question # 7 of 20 (Start time: 08:31:20 PM) Total Marks: 1

Promises which form the consideration for each other are called _____ promises.

Select correct option:

Reciprocal

Dependent

Mutual

Independent

Question # 8 of 20 (Start time: 08:31:34 PM) Total Marks: 1

Legal sources of law include all of the following, EXCEPT:

Select correct option:

Business

Precedent

Customs

Agreement

Legal sources of law including the following: i) Legislation ii) Precedents iii) Customs iv) Agreements

Question # 9 of 20 (Start time: 08:32:21 PM) Total Marks: 1

Which of the following is an essential of a contract of Guarantee?

Select correct option:

Consideration of a contract

Avoidance of misrepresentation

Can be oral or written

All of the given options

Essentials of a Contract of Guarantee ⌚ Consideration ⌚ No misrepresentation ⌚ Writing not necessary

Question # 10 of 20 (Start time: 08:33:36 PM) Total Marks: 1

Essentials of a contract of sale include all of the following, EXCEPT:

Select correct option:

There must be an agreement

There must be more than two parties

There must be transfer of ownership

There must be some price as consideration

Essentials of Sale: ⌚ Parties ⌚ Subject matter ⌚ Transfer ⌚ Price or consideration

Question # 11 of 20 (Start time: 08:34:59 PM) Total Marks: 1

In the absence of any express provisions in Law of Negotiable Instruments, which law is applicable?

Select correct option:

Contract act

Contract of sales

Contract of agency

Contract of guarantee

In the absence of any express provisions in this Act to the contrary, the general rules contained in the Contract Act are applicable to such instruments as to obligations of parties to the negotiable instruments are contractual in nature.

Question # 12 of 20 (Start time: 08:36:14 PM) Total Marks: 1

Who is liable when a partner has signed in his own name a promissory note for the benefit of the firm?

Select correct option:

All partners

The signatory partner

The limited partners

The major partners

Sec. 25 of the Act lays down that all the partners of a firm, jointly and severally, share liabilities of the firm therefore, even where a partner has signed in his own name a promissory note for the benefit of the firm, all partners are liable on it as members of the partnership.

Question # 13 of 20 (Start time: 08:37:32 PM) Total Marks: 1

Which of the following is true about a firm?

Select correct option:

A firm has no legal existence

A firm adopts legal status from its partners

A firm has a legal status separate from its partners

None of the given options

Question # 14 of 20 (Start time: 08:37:50 PM) Total Marks: 1

Mr. Asif threatens to kidnap Mr. Bashir's son if he does not give Rs.2 lac to him; and Mr. Bashir agrees to pay the amount. Such contract has been made by:

Select correct option:

Consent

Coercion

Fraud

Undue influence

Question # 17 of 20 (Start time: 08:38:47 PM) Total Marks: 1

If two parties choose to enter into contracts with knowledge of the commercial usage governing them, who will decide the terms of contract?

Select correct option:

Court

Contract act

The two parties

The two parties along with court

Trade Usage

It is for the parties to decide on what terms contracts would be entered into and if they choose to enter into contracts with knowledge of the commercial usage governing them, they are bound by them.

Question # 20 of 20 (Start time: 08:40:09 PM) Total Marks: 1

Undue influence is described under which section of Contract Act?

Select correct option:

Section 16

Section 17

Section 18

Section 19

"Free consent defined": Consent is said to be free when it is not caused by: ---

- (1) coercion, as defined in section 15, or
- (2) undue influence, as defined in section 16, or
- (3) fraud, as defined in section 17, or
- (4) misrepresentation, as defined in section 18, or
- (5) mistake subject to the provisions of sections 20, 21, and 22.

Define Modes of winding up of company?

Modes of winding up –(sec 297) Winding up by Court –a compulsory winding up by the order of court or **Voluntary winding up** Members' voluntary winding up or Creditors' voluntary winding up

Define objects of companies ordinance 1984?

Objects of Companies Ordinance, 1984: Consolidate and amend the law relating to companies.
Healthy growth of corporate sector Setting minimum standards of integrity and management
Prevention of malpractices Promotion of investment Protection of interests of share holders Full and fair disclosure of information Empowering government to intervene and investigate

Question:

Can a contingent contract about an uncertain event be enforced? If yes then explain, if not then give reasons.

Enforcement of contracts contingent on an event happening: Sec 32 Contingent contracts to do or not to do anything if an uncertain future event happens cannot be enforced by law unless and until that event has happened. If the event becomes impossible such contracts become void.

Illustrations

- (a) A makes a contract with B to buy B's horse if A survives C. This contract cannot be enforced by law unless and until C dies in A's lifetime.
- (b) A makes a contract with B to sell a horse to B, at a specified price, if C., to whom the horse had been offered, refuses to buy him. The contract cannot be enforced by law unless and until C refuses to buy the horse.
- (c) A contracts to pay B a sum of money when B marries C. C dies without being married to B. The contract becomes void.
- (d) Yasir makes a contract with Mr. Aslam to sell his car for Rs 600,000. If Mr. Akmal to whom he has already made the offer doesn't buy the said car. This contract cannot be enforced by law unless Mr. Akmal refuses to buy the car.

Question:

Who is qualified to be a presiding officer of labor court.

A Labour Court shall consist of one Presiding Officer appointed by a Provincial Government, in consultation with the Chief Justice of the respective High Court.

A person shall not be qualified for appointment as Presiding Officer unless he has been, or is qualified to be, Judge or Additional Judge of the respective High Court or is a District Judge

Question:

What are the features and factors necessary for sending goods through air carriage

Carriage of Goods by Air:

☑ This is governed by the Carriage by Air Act 1934.

☑ **High contracting party**—it includes the governments those are the signatories of Warsaw Convention Rules

☒ **International Carriage**— it means any arrangement pertaining to carriage of goods by air where the place of departure and place of destination are located within the jurisdictions of two high contracting parties or within the territorial jurisdiction of a single high contracting parties and a state which is not high contracting party, in cases where an agreement of stopover is entered into with that state.

Important documents of Carriage of Goods by Air:

☒ Passenger ticket

☒ Luggage ticket

☒ Air Way Bill

Liabilities of the Carrier:

Carrier is liable for damages in the following situations:

☒ In case of death or wounding of a passenger

☒ Loss of registered/ booked baggage or cargo

☒ Delay in receipt of baggage or cargo.

Question:

Define Non Banking Finance Companies:

Non Banking Finance Companies:

Non Banking Finance Companies (NBFCs') include the companies licensed by Securities and Exchange commission of Pakistan (SECP) and such other company or class of companies or corporate body as the Federal Government may, by notification in the official Gazette specify for the purpose.

Question:

What are the functions of Joint work council?

Functions of joint works council:

o improvement in production, productivity and efficiency; o provision of minimum facilities for such of the workers employed through contractors as are not covered by the laws relating to welfare of workers;

o promoting settlement of differences through bilateral negotiations;

o promoting conditions of safety and health for the workers;

Question:

Describe types of partnership under section 7 & 8.

Kinds of Partnership

- a) Partnership-at-will (sec. 7)
- b) Particular partnership (sec. 8)

These are discussed in detail in the following paragraphs:

Partnership at will:

It has been defined in section 7 of the Act which is reproduced below: Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is "partnership at will".

Explanation:

According to Sec. 7 the "Partnership at will" is a partnership agreement between the partners where by neither any definite period of partnership nor a provision. for the determination of the partnership has been provided, and its duration is left to the discretion or will of the partners themselves.

Particular partnership

A particular partnership has been defined in section 8 of the Act which is reproduced below:
A person may become a partner with another person in particular adventures or undertakings.

Explanation:

Particular partnership duration of.- Partnership Deed clearly stating formation of Partnership, to run agency acquired by plaintiff at a particular station from a particular company. Partnership, held formed for a single venture and could continue only as long as agency lasted. Partners if wishing to carry on partnership on expiry of agency for running some other business, could do so only by a fresh agreement. Case law reported (Hussain Bhai V Mohd Iqbal PLD 1976 Quetta 9).

Question:

Describe the difference between cheque and bill of exchange.

Difference between a cheque and a bill of exchange: i. a cheque is drawn on a specified banker, but a bill may be drawn on any one including a banker ii. a cheque is payable immediately on demand, a bill is entitled to days of grace. iii. A cheque requires no acceptance: it is intended for immediate payment whereas a bill of exchange has to be accepted before acceptor can be made liable. iv. Failure of presentment for payment discharges the drawer in the case of a bill, but the drawer of a cheque is not discharged by failure of the holder to present it in due time unless the drawer has sustained damage by the delay. v. When a cheque is not met, notice of dishonour is not necessary as in the case of bills: want to assets in the hands of the banker is sufficient notice. vi. A cheque is revocable while a bill is not.

Question:

What are the kinds of endorsement?

Kinds of Endorsement: The endorsements are divided as under: ☺ Blank or general. ☺ Full or special endorsement. ☺ Restrictive endorsement ☺ Partial endorsement

Question:

What is full or special endorsement?

Full or special endorsement: The said endorsement has been defined in section 16 which is given below: If the endorser signs his name only, the endorsement is said to be "**in blank**", and if he adds a direction to pay the amount mentioned in the instrument to, or to the order of, a specified person, the endorsement is said to be "**in full**", and the person so specified is called the "endorsee" of the instrument.