TUTOR MARKED ASSIGNMENT

COURSE CODE	**:**	**BCOC-133**
COURSE TITLE	**:**	**BUSINESS LAW**
ASSIGNMENT CODE	**:**	**BCOC-133/TMA/2026**
COVERAGE	**:**	**ALL BLOCKS**

MaximumMarks: 100

Note: Attempt all the questions.

Section–A

1) Who is competent to contract? State the position of contracts with a minor. **(10)**

2) What is the doctrine of "Caveat Emptor"? What are the exceptions to this doctrine? **(10)**

3) State the respective rights and responsibilities of pledger and pledgee. **(10)**

4) Distinguish between Partnership and Joint Hindu Family. **(10)**

5) Compare and contrast a bill with a hundi. Briefly describe the various kinds of hundies. **(10)**

Section–B

6) Who is holder in due course? Explain his privileges. **(6)**

7) Discuss the law regarding wagering agreements under the Indian Contract Act. **(6)**

8) "Between a-sureties there is equality of the burden and the benefit". Elucidate. **(6)**

9) Whatismeantbyreservationoftherightofdisposalinacontractofsaleofgoods? **(6)**

10) Write short notes on following: **(2x3=6)**

a) Cross offer
b) Contingent Goods
c) Quasi Contracts

Section–C

11) Explain the meaning of 'Novation'. How novation is different from rescission? **(5)**

12) Under what circumstances the court can order dissolution of the firm on a suit by a partner? **(5)**

13) "A stranger to contract cannot sue, but a stranger to consideration can sue". Do you agree? **(5)**

14) Distinguish between void and voidable contracts. **(5)**

1) Who is competent to contract? State the position of contracts with a minor. (10)

Answer

A contract is an agreement enforceable by law. Therefore, the people who enter an agreement must have legal capacity. Section 11 of the Indian Contract Act, 1872 states that a person is competent to contract if he or she has attained the age of majority under the law applicable to that person, is of sound mind, and is not disqualified from contracting by any law.

Conditions of competency

Majority: A person must ordinarily have completed 18 years of age. A minor lacks contractual capacity even when he appears mature or earns an income. The law protects minors from obligations they may not fully understand.

Sound mind: Under Section 12, a person is of sound mind for contracting when, at the time of making the contract, the person can understand its terms and form a rational judgment about its effects on personal interests. A person who is usually of unsound mind may contract during a lucid interval, while a person usually sound cannot contract during a period of incapacity.

No legal disqualification: Certain persons may face restrictions under particular laws or legal situations. For example, legal rules relating to insolvency or statutory restrictions may affect a person's power to deal with specified property. Such restrictions must be examined under the law concerned rather than assumed for every transaction.

Position of agreements with a minor

Void from the beginning: In *Mohori Bibee v. Dharmodas Ghose* (1903), the Privy Council held that a minor's agreement is void ab initio. Thus the other party ordinarily cannot enforce a promise against the minor as a contractual obligation. Even a transaction apparently beneficial in a commercial sense cannot turn the minor's personal promise into an enforceable contract.

No ratification on attaining majority: A void agreement does not become valid merely because the minor later reaches 18 and confirms it. A fresh agreement, supported by lawful consideration and made after majority, is needed. Simply repeating a promise to pay an old minor's debt does not normally create liability.

No estoppel against the minor: If a minor wrongly claims to be an adult, that statement does not ordinarily make the minor liable on the void agreement. Otherwise the protective rule of Section 11 would be defeated indirectly.