

**TopYug Educations****CA FOUNDATION – BUSINESS LAWS****TEST 5 – THE SALE OF GOODS ACT, 1930**

**Answer any 5 questions. Each question carries 4 marks each. Duration – 50 Mins**

1. For the purpose of making uniform for the employees, Bansi bhaiya bought dark blue coloured cloth from Vivek, but did not disclose to the seller the purpose of said purchase. When uniforms were prepared and used by the employees, the cloth was found unfit. However, there was evidence that the cloth was fit for caps, boots and carriage lining. Advise Bansi bhaiya whether he is entitled to have any remedy under the sale of Goods Act, 1930?
2. With a view to boost the sales, Hanuman Automobiles sells a motorcar to Mr.A on trial basis for a period of three days with a condition that if Mr.A is not satisfied with the performance of the car, he can return back the car. However, the car was destroyed in a fire accident at the place of Mr.A before the expiry of three days. Decide whether Mr.A is liable for the loss suffered.
3. State briefly the essential element of a contract of sale under the Sale of Goods Act, 1930. Examine whether there should be an agreement between the parties in order to constitute a sale under the said Act.
4. When can an unpaid seller of goods exercise his right of lien over the goods under the Sale of Goods Act? Can he exercise his right of lien even if the property in goods has passed to the buyer? When such a right is terminated? Can he exercise his right even after he has obtained a decree for the price of goods from the court?
5. J, the owner of a Fiat car wants to sell his car. For this purpose he hand over the car to P, a mercantile agent for sale at a price not less than Rs.50,000. The agent sells the car for Rs.40,000 to A, who buys the car in good faith and without notice of any fraud. P misappropriated the money also. J sues A to recover the Car. Decide given reasons whether J would succeed.
6. Suraj sold his car to Sohan for Rs.75,000. After inspection and satisfaction, Sohan paid Rs.25,000 and took possession of the car and promised to pay the remaining amount within a month. Later on Sohan refuses to give the remaining amount on the ground that the car was not in a good condition. Advise Suraj as to what remedy is available to him against Sohan.

**GOOD LUCK !**