

PAPER 3: BUSINESS AND CORPORATE LAW

A: Contract Act (Having 6 chapters)

1. INDIAN CONTRACT ACT 1872:

Concept of law – meaning and definition - Branches of Law - Sources of Indian Mercantile Law - Indian Contract Act 1872 - Meaning and definition of contract - Distinction between agreement and contract - Legal rules of contract - Classification of contract: according to validity, mode of creation, performance

2. OFFER, ACCEPTANCE AND CONSIDERATION:

Offer: Definition, and legal rules for a valid offer - Acceptance – definition and legal rules relating to acceptance - Consideration - definition and legal rules - Exception to the rule 'no consideration no contract' - Privity of contract (stranger to a contract)

3. CONTRACTUAL CAPACITY AND FREE CONSENT:

Contractual capacity – meaning and definition - Law relating to agreement by a Minor - Free consent - meaning and definition - Coercion – Definition, requisites - Undue influence – definition, requisites

Misrepresentation – meaning, definition and essentials -Fraud – meaning, essentials - Mistake – definition – types- Mistake of fact and of Law, Bilateral mistake and unilateral mistake (meaning only)

4. LAWFUL OBJECT, DOCTRINE OF PUBLIC POLICY, QUASI CONTRACTS:

Lawful object – meaning and definition - Doctrine of public policy – agreements opposed to public policy - Quasi contracts – circumstances which give rise to quasi-contractual obligations - Wagering agreements – meaning definition and essentials - Contingent contract - meaning and essentials

5. DISCHARGE OF CONTRACT – BREACH OF CONTRACT, REMEDIES FOR BREACH:

Discharge of contract – meaning and modes of discharge of contract, Breach of contract – meaning and definition – Remedies for breach of contract, Damages: meaning and kinds of damages

6. SPECIAL CONTRACTS:

Contract of indemnity: meaning, essentials and legal rules - Contract of guarantee: meaning, essentials and legal rules: rights of surety, discharge of surety - Bailment: definition, essentials and kinds of bailment, duties, rights and liabilities of Bailor and bailee -Pledge: definition, essentials, pledge by non-owners - Agency: meaning of

agency, agent and principal, legal rules for a valid agency, Rights, duties and liabilities of Agents.

B. INDIAN CORPORATE LAW (HAVING 4 CHAPTERS)

7. COMPANIES ACT 1956 AND STATUTORY DOCUMENTS OF COMPANY

Definition and characteristics of a company - Corporate personality and lifting of corporate veil - Kinds of companies - Memorandum of association - meaning, significance, contents - Articles of association - meaning, significance, contents - Distinction between Memorandum of Association and Articles of Association - Doctrine of ultra-vires: MA and AA - Doctrine of constructive notice - Doctrine of indoor management - relevance and exceptions - Prospectus: meaning and importance - Information memoranda and red-herring prospectus - meaning

8. SHARES AND MEMBERSHIP OF A COMPANY:

Shares - meaning and definition - Kind of Shares- Issue and Allotment of shares - legal rules for allotment - Transfer and transmission of shares - Member and shareholder: Meaning and Distinction - Who can become the member? - Modes of acquiring membership - Rights and liabilities of members - Termination of membership - Meaning of register of members, meaning, contents and closure, foreign register of members

9. COMPANY MANAGEMENT, MEETINGS:

Company secretary - meaning, qualification, duties and liabilities - Directors - meaning, kinds, qualification, and disqualification - Appointment and removal - Powers, duties and liabilities -Kinds of company meeting - Board meetings and general body meeting - Requisites of a valid general body meeting - meaning and requisites for different kinds of meetings - Voting at meetings, appointment of proxies - Motions and resolutions - meaning of motions, meaning and kinds of resolutions - Minutes of General Body Meetings

10. BORROWING POWERS AND DEBENTURES:

Borrowing powers - meaning - Ultra-vires borrowing: ultra vires to the company, ultra-vires to the directors

Creation of charges - fixed and floating charges - Registration of charges - meaning, compulsion and effects of non-registration - Debentures - Meaning and characteristics

Case Laws:

The relevant legal points, facts and the judicial agreements relating to following 15 cases are to be specifically dealt with.

1. Balfour vs. Balfour
2. Carlill vs. Carbolic Smoke Boll Co
3. Durga Prasad Vs Baldeo
4. Nash Vs Inman
5. Ranganayakamma Vs Alwar Setty

6. Derry vs. Peak
7. Planche Vs Colbourn
8. Hadley Vs Boxandale
9. Harvey Vs. Facie
10. Felthouse Vs Bindly
11. Solomon v. Solomon and co
12. Royal British Bank v. Tarquand
13. Dalmer Co. Ltd v. Continental Tyre and Rubber Co.
14. Asbury Railway Carriage V. Riche
15. Anand Bihari Lal V. Dinshow and Co.

References:

1. Ansen, W.R : Law of contract – (U.K. English language book society)
2. Pandiya : Marcantile Law
3. Maheswary & Maheshwari : Business Law (Delhi, National Pub. House)
4. Sukla M.C : A Mannual of Mercantile Law (Delhi S Chand)
