**According to law what are negotiable instruments and define bill of exchange?**

**Ans**

A negotiable instrument is a signed document that promises a sum of payment to a specified person or the assignee.

 transferable, signed document that promises to pay the bearer a sum of money at a future date or on-demand. The payee, who is the person receiving the payment, must be named or otherwise indicated on the instrument.

negotiable instrument is a document guaranteeing the payment of a specific amount of money, either on demand, or at a set time, with the payer named on the document. Or it is a written document transfer by delivery.

Ex. promissory notes, bills of exchange, banknotes, demand draft and cheque.

Negotiable instrument is like a contract. It is a document with set of rules which guarantees the payment of a certain amount of money at a set of time. In this document the payer’s name is mentioned. The time with in which the money is to be paid is decided by the payer (the person who is paying) and the payee (the person who is receiving the money from the payer).

The expression "Negotiable Instrument" means a piece of paper in writing entitling a right to the holder, a

10

certain sum of money. It is a piece of paper which contains some value and is transferable by simple

delivery or sometimes by endorsement and delivery.

Characteristics of a Negotiable Instrument

1. Freely transferable. The property is a negotiable instrument passes from the one person to another by delivery,

if the instrument is payable to bearer, and endorsement and delivery if it is payable order

2. Presumption. The Certain presumption applies to all negotiable instruments unless the contrary is provided.

This presumption is dealt with in secs, 118 and 119 and are as follows

3. Time of endorsement

When the instrument was endorsed, it is always presumed that the negotiable instrument was endorsed in order.

4. Time of transfer

When the instrument was transferred, it is always presumed that the negotiable instrument was transferred before its maturity.

5. Date on negotiable instrument

The negotiable instrument holds a date and it is presumed that the instrument was drawn or made on that date.

6. Time of acceptance

When the instrument was accepted, it is always presumed that the instrument was accepted within its date. It is also presumed that the instrument was accepted before its maturity date.

7. Better title to transferee

When you transfer something, you must clear everything such as names, date, time, amount etc. 8. Right of Holder: We cannot force the holder.

**Bill of exchange**

**A** written order to a person requiring them to make a specified payment to the signatory or to a named payee.

A written unconditional order by one party (Drawer) to another party (Drawee) to pay a certain sum, either immediately or on a fixed date for payment of goods and services received. The name of the person who is to pay (Drawee).

\*. It is a non-interest-bearing written order.

Characteristics of Bill of Exchange

1. It must be in written form

2. It must contain a promise

3. The promise must be unconditional: No conditions and terms. It is clear.

4. It must be signed by maker.

5. The maker must be certain

6. The sum payable must be in Pakistani currency

**Q no2**

**What are the rights of unpaid seller?**

 a seller of goods is an unpaid seller within the meaning of the Sale of Goods Act 1979 when the whole price has not been paid or tendered or when a bill of exchange or other negotiable instrument has been received as conditional payment and the condition on which it was received has not been fulfilled by reason of the dishonour of the instrument or otherwise.

**There are tow types of rights of the unpaid seller**

* **For buyer**
* **For goods**

**Right of goods**

* Goods which has been passed
* Goods which is not been passed

**Good which have been passed**

**Right to lean**

Lawful possession of property

**Rights in stoppage of transit**

**Right to re sale**

**Goods which had not been passed yet**

**Right to withhold delivery**

We can stop the delivery

**Rights to stoppage in transit**

**Stop the transit**

**Rights for buyer**

**Right to sue for price**

We can sue for its price

**Rights to sue for damage**

We can sue them fo the damage that have done.

**Right to recision of the contract**

We could terminate **the** contract

**Right to sue for interest**

We could ask for interest that is come due to late payment

**Qno3**

**According to law of contract act what is trust and how it is formed?**

- A “trust” is an obligation annexed to the ownership of property, and rising out of a confidence reposed in and accepted by the owner, or declared and accepted by him, for the benefit of another, or of another and the owner

**Creation of trust –**

* Subject to the provisions of Section 5, a trust is created when the author of the trust indicates with reasonable certainty by any words or acts
* an intention on his part to create thereby a trust
* the purpose of the trust
* the beneficiary
* the trust-property, and (unless the trust is declared by will or the author of the trust is himself to be the trustee) transfers the trust-property to the trustee. **Who may create trusts**

A trust may be created (a) By every person competent to contract (b) With the permission of a principal Civil Court of original jurisdiction, by or on behalf of a minorBut subject in each case to the law for the time being in force as to the circumstances and extent in and to which the author of the trust may dispose of the trust property.

**Qno4**

**According to labour law what are the rights of labours?**

Pakistan has more 150 of laws that prevent the rights of the labours. No institutions could suspend there employe without a proper evidence and when the evidence is found the employe would give his clearance.

* If any institution suspend his employee without any proof the employee could sue them in labour court.
* Every labour should work for 8 hours if he works more than 8 hours the overtime money would be given to him
* - Equitable adjustment of rights between workers and employers should be ensured in an atmosphere of harmony, mutually beneficial to the workers and the management.
* - Consultations between workers and employers on matters of interest to the establishment and welfare of workers should be made more effective.
* Adequate security of jobs should be available to the workers and there should be expeditious redressal of their grievances.
* Conditions should be created that workers and employers are committed in enhancing the labour productivity.
* - Promotion to higher jobs be ensured at all levels based on suitability and merit and for this purpose arrangements should be made for in- service training facilities.
* - Facilities for proper matching of job opportunities and the job seekers be strengthened and standard procedures be streamlined.
* Article 11 of the Constitution prohibits all forms of slavery, forced labour and child labour;
* Article 17 provides for a fundamental right to exercise the freedom of association and the right to form unions;
* Article 18 proscribes the right of its citizens to enter upon any lawful profession or occupation and to conduct any lawful trade or business;
* Article 25 lays down the right to equality before the law and prohibition of discrimination on the grounds of sex alone;
* Article 37(e) makes provision for securing just and humane conditions of work, ensuring that children and women are not employed in vocations unsuited to their age or sex, and for maternity benefits for women in employment.

**Qno5**

**Free consent**

Another essential of a valid contract is the consent of parties, which should be free. “Two or more

parties are said to consent, when they agree upon the same thing in the same sense.

Consent os said to be free not caused

* Coercion
* Undue influence
* Fraud
* Misrepresentation

**Coercion**

If one party is committing crime in order to force the other party to enter into a contract os known as coercion and contract is voidable

**Under influence**

When one is in position to dominate the will of the other person and actually miss-uses the position then it is case of undue influence and contract become voidable

**Fraud**

wrongful or criminal deception intended to result in financial or personal gain.

**Misrepresentation**

It is a misstatement which is given by a person who thinks that it is true

**Offer and essential of offer**

In a contract there must be at least two parties one of them making the offer and the other accepting it. There must thus be an offer by one party and its acceptance by the other. The offer when accepted becomes agreement. A presenting of something for acceptance or the act of giving someone the opportunity to accept something. When one 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 said to make a proposal.

**Essentials of a Valid Offer**

**1. Offer may be Express or Implied**

The offeror can make an offer through words or even by his conduct. An offer which is made via words, whether such words are written or spoken (oral contract) we call it an express contract. And when an offer is made through the conduct and the actions of the offeror it is an

implied contract.

**2. Offer must create legal relations**

The offer must be made in order to create legal relations otherwise there will be no agreement.

It should be in written form.

**3. It must be clear**

An offer must be definite and clear. If the terms of an offer are not definite and clear, it cannot

be called a valid offer.

**4. Offer is different from Invitation**

You should say it clear, not as invitation.

**5. Offer can be Specific or General**

When an offer is made to a person or a group of persons and it can be accepted by a person or persons, it is called specific offer. A general offer, is one which is made to public in general is called general offer. Both are valid.

**6. It may be subjected to any terms or condition.**

An offeror may attach any terms and condition to the offer he makes. He may even prescribe

the mode of acceptance. It should be clear that what should be the terms and conditions.

**7. Offer cannot contain a Negative Condition**

The non-compliance of any terms of the offer cannot lead to automatic acceptance of the offer. Hence it cannot say that if acceptance is not communicated by a certain time it will be considered as accepted. Example: A offers to sell his cow to B for 5000/-. If the offer is not rejected by Monday it will be considered as accepted. This is not a valid offer.