Final Exam

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Subject: Business and Labor Law

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Answers:

Question No 1:

Answer No 1: According to business law negotiable instruments is a document that includes a promise to pay a amount to the document holder or bearer. And it is also known as mode to transfer debt from one person to another person. Negotiable instruments are always in written form.

According to law negotiable  instruments are transferable in nature which means the holder can take the funds as cash or use them in a appropriate manner for the transaction or according to their preference. The fund amount listed on the document includes a notation as to the specific amount promised and must be paid in full either on-demand or at decided time by mutual understanding. A negotiable instrument can be transferred from one person to another. Once the instrument is transferred, the holder obtains a full legal right of the instrument.

These documents provide no other promise on the part of the entity issuing the negotiable instrument. no other instructions or conditions can be set upon the bearer to receive the monetary amount listed on the negotiable instrument. For an instrument to be negotiable, it should be signed, with some mark or with the signature, by the maker of the instrument or the one issuing the draft. This entity or person is known as the drawer of funds. The types of negotiable instruments include 1)bills of exchange, 2)promissory notes, 3)drafts, and 4)certificates of deposit (CD).ETC.

Bill of Exchange: Bill of exchange is a written order from the creditor himself to the debtor in order to pay a decided or specified amount to a person mention on the bill of exchange.

A bill of exchange is a written order from maker or drawer ordering another person or the amount payer to pay a certain amount to a third party or payee. It is also known as a draft. If the bill of exchange is drawn on a bank, it is called a bank draft. If it is drawn on another party, it is called a trade draft. A bill of exchange drawn on a bank account is a check. A non-interest-bearing written order used primarily in international trade that binds one party to pay a fixed sum of money to another party at a predetermined future date.

They can be drawn by individuals or banks and are generally transferable by them. The difference between a promissory note and a bill of exchange is that a bill of exchange is transferable and can bind one party to pay a third party that was not involved in its creation. Sometimes a bill of exchange will simply be called a draft, but a draft is always negotiable, whereas a bill of exchange may not be negotiable. The party to whom a bill of exchange is addressed is called the acceptor.

Question No 2:

Answer No 2: The seller who has not receive the full amount of prices of all the goods sold is called unpaid seller. And according to business act section 45 the seller good is known as unpaid seller.

And in business law there are rights of unpaid seller. Rights of unpaid seller are divided into two categories 1) Rights against goods and 2) Right against the buyer.

Right against the goods are also subdivided into two categories

* **Where the property in the goods has passed**

1. Lien on goods
2. A right of stoppage in transit
3. A right of re-sale

* **Where the property in the goods has not passed**

1. Withholding delivery
2. Stoppage in transit

* **Right against the buyer**

1. Suit for price
2. Suit for damages
3. Repudiation of contract
4. Suit for interest.

* **Rights of lien**

1. The goods are not sold on credit
2. The goods have been sold on credit, but the period of credit has been expired
3. The buyer becomes in solvent

* **Right of stoppage in transit**

1. If the carrier wrongfully refuses to deliver the goods to the buyer
2. If the buyer obtains the possession of the goods before its arrival at the destination

* **Right of resale**

1. Where the goods are of perishable nature
2. Where buyer does not pay the price

* **Right of with holding delivery**

Where the property of goods has not passed to the buyer, an unpaid seller has, in addition to his other remedies.

Question No 3:

Answer No 3: A trust is an organization which works for the social welfare of the peoples. A trust is an arrangement through which an employer can provide benefit programs to employees including private health plans. A trust is built under the trusts act 1882 and for creation three conditions are most there should be creator, trustee and beneficiary present. And private trust will fail for uncertainity if the objectives are not clearly stated.

**Some of the essentials** for a public trust to come into being are the following criteria:

1. There must be some trust property, whether in cash or capital assets (land or buildings)
2. The objectives of the trust must be charitable or for the benefit of society

The application for registration of a public trust must contain the following:

1. Particulars of documents creating the trust.
2. Particulars of the trustees and the beneficiaries.
3. Details of what the trust property is going to be. There is no minimum value of property for starting a trust. If the property is an immovable property then the transfer deed shall be on a stamp paper on the value of the property and it shall be registered.
4. Preparation of the trust deed, that is, i.e. declaration of having created a public charitable trust.

A trust is a “’gift’ of property to a person or institution providing benefit to both parties,” and may be either a public trust, which benefits the public at large, or a private trust, which benefits individuals. Private trusts for public charity are governed by the Trusts Act, 1882.

Question No 4:

Answer No 4: Labor law mediates the relationship between workers, employing entries, trade unions and government. Collective labor law relates to the tripartite relationship between employer and union.

According to or labor rights in constitution of Pakistan are as under:

1. Article 11, of the constitution prohibits all forms of slavery, forced labor and child labor.
2. Article 17, provide for fundamental rights to exercise the freedom of association and the right of unions.
3. Article 18, every citizen shall have the rights to enter upon any lawful profession or occupation, and to conduct any lawful trade and business.
4. Article 25, lays down the right to equality before the law. Prohibition of discrimination on the grounds of sex alone.
5. Article 37(e), the state should be made for securing just and human conditions of work, ensuring that children and women are not employed in vacations unsuited to their age or sex, and for maternity benefits women in employment.
6. Article 38, the state shall secure the well being of the people, irrespective of sex, caste or race, by ensuring equitable adjustment of rights between employers and employees and also provide social security.
7. Wages are construed as the total remuneration payable to an employed person on the fulfillment of his or her contract of employment. It includes bonuses and any sum payable for want of a proper notice of discharge, but excludes the value of accommodations i.e., supply of light, water, medical attendance or other amenities excluded by the Provincial Government; the employer’s contribution to a pension or provident fund, traveling allowance or concession or other special expenses entailed by the nature of his or her employment; and any gratuity payable on discharge.

Source: Constitution of Pakistan, and labor rights and employment in constitution

Question NO 5:

Answer no 5:

* **Free Consent:** When there is two parties in a contract, who are willingly and knowingly enter into an agreement. Or when two or more parties or persons agree upon the same thing and in same sense. So the two or more than two people must agree to something in the same sense as well.

Eg: Person A agrees to sell his car to B and A owns three cars honda, corolla and Mercedes and he wants to sell honda, but here B thinks he is buying Mercedes. Here A and B have not agreed upon the same thing so there is no free consent and no contract. If they agree on same thing then there will be free consent and contract between them.

Free consent happens when it is not caused or affected by

1. Coercion
2. Undue influence
3. Fraud
4. Misrepresentation
5. Mistake

* **Offer and essential of offers** When you propose a person or invite a party in contract, you have made an offer, upon accepting the offer the party and you enter a legally binding contract. An offer is the first step in creating a contract and is one of the main vital component of a legal contract and the other two components are acceptance of the offer and considerations. In business the person who offers or invite is known as offeror in business terms and the who is at receivers end is known as offeree.
* **Essentials of offer**

1. The offer must be communicated
2. The terms and conditions of the offer must be clear and definite
3. Must create a legal and good relationships
4. Offer should not contain negative condition
5. It must be clear
6. Can be specific or general
7. etc