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***Subject: business and labor law***

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***Final term Assignment***

***Q1: According to the law what is negotiable instruments?***

***Answer:***

Negotiable instrument is basically an unconditional writing that mainly promises or orders the payment of the exact and fixed money. There are two main categories of instruments the one is draft and the other is the notes. So the draft is an instrument that will order a payment to be made.

It is also defined as a sign document that promises a sum of the money or payment to a specific individuals or the assignee. So it is a transferable, signed document which promises the bearer to pay a specific sum of money in a future date or on that demand.

The payee, receiving the payment who is the person must be named or otherwise it indicated on the instrument. A negotiable instrument is transfer from one person to another. Once its transfer, the holder will get the full legal title towards the instrument.

For an instrument to be negotiable, first of all it must be signed with a specific mark or signature, by the maker of that instrument the one who issuing the draft. So this entity or person is known as the drawer of funds.

Example:

A simple and common example of the negotiable instrument include the money order,

Cheque, bill of exchange and promissory notes.

***Characteristics:***

1. Freely transferable
2. Presumption
3. Time of transfer
4. Time of endorsement
5. Date on negotiable instrument
6. Time of acceptance
7. Better title to transfer
8. Right of holder.

***What is Bill of exchange?***

It is basically the opposite of promissory note in which we order to the individual to return the loan which has been given to you in coming days. Same like stamp paper

***OR***

A bill of exchange is basically a binding agreement by one party to pay a fixed signed amount of [cash](https://www.accountingtools.com/articles/2017/5/4/cash) to another party which has promising through agreement as of a predetermined date or on demand. Bills of exchange are primarily used in international trade over the world.

***Parties involve in bill of exchange:***

There are three party that may be involved with a bill of exchange transaction. They are as follows:

1. ***Drawee.*** So the first party pays that of the specific amount stated on the bill of exchange to the payee.
2. ***Drawer.*** So the second party requires the drawee to pay a third party (or the drawer can be paid by the drawee).
3. ***Payee.*** But This party is paid the amount specified on the bill of exchange which has been promised by the drawee.

***Characteristics:***

1. It must be in written form
2. It must contain a promise
3. It must be signed by maker
4. The maker must be certain
5. The sum payable must be in Pakistani currency
6. The promised must be unconditional

**Specimen of bill of exchange**

|  |  |
| --- | --- |
| Rs. 2000 Lahore, 2nd sept 2000  Three months after date. Pay to C or order the sum of Rs. 2000 only for value received.     |  | | --- | | Accepted |   Aslam    Stamp  Sd/  Bashir  nhhh  To Aslam  123 Gulberg-4  Lahore |

***Q2: what are the rights of unpaid seller?***

***Answer:***

This what when the buyer of the goods does not pay his dues of the goods lock for order to the seller. So in this case the seller become an unpaid seller so now as a result the has a certain right against the buyer, these right are the seller remedies the breach of the contract by the buyer. These such rights of the unpaid seller are additional to the rights against the goods which he has been sold.

***Rights of unpaid seller:***

1. ***Suit for price:***

According to the contract of sale if the goods is already passed but he refuses to pay for that specific goods so the seller become an unpaid seller. So in this case the seller can be sue the buyer for their wrongly refusing to his/her dues.

1. ***Suit for damages for non-acceptance:***

In this case when the buyer wrongly refuses or neglects to pay the unpaid seller, the seller cam blame the buyer for damaged cause due to his non-acceptance of goods.

1. ***Repudiation of contract before due date:***

In this case when the buyer leaves or repudiates the contract even before the delivery date of the goods so even the seller can still sue or blame for damages. So such contract is considered as a rescinded contract. This is covered in Indian contract act.

1. ***Suit for interest:***

If specific agreement between the parties, then the seller can claim for the interest amount due to him from the buyer. This occur when both parties have agreed on the rate of interest which is but paid to seller from the date on which the payment becomes due.

***Q3: According to the law of contract act what is trust?***

***Answer:***

It is the agreement in which a very close fiduciary relationship is created due to which the one party (the Trustor) gives another party (the Trustee) the right of all the trustor has been given to hold ownership of certain assets, and to manage them for named beneficiaries and for more development.

We know that a trust is a legal tool which is used by many individuals to control how their assets and properties and other activities are managed after the individual death or with some natural inconvenience. So if Once a trust has been created by someone, the creator, called a “Trustor,” and by these all then transfers their ownership of certain specified property and financial assets to the trust for the purpose of the major benefit of others in the absence of the owner and it is called the “beneficiaries.”

The assets and all other activities in the trust are then organized and managed by a “Trustee,” which has been whole heartedly appointed by the Trustor. We also know that it is basically part of the estate planning process, where protecting the Trustor’s assets and other properties while he is alive, also guide and specify that how the assets are to be distributed and invested upon the Trustor’s death.

So we know that People create trusts, not fame, not only to ensure their wishes are carried out after their death, but to avoid probate proceedings. A trust must be in a written document as prove for future that adheres to the legal requirement of the probate code in the state in which the Trustor lives.

***How trust is created?***

We know that the trust is a name of good will and responsibility which has been given by someone for the sake of benefits and for looking forward after his/her death and obligation which binds the person to deal with property for the benefit of beneficiaries.

A trust mainly can come into existence in any pattern or manner, by an instrument in writing (including a will), by a unilateral declaration, by operation of law and also by oral declaration.

when a trust is created orally, then the law requires that there must be a sufficient evidence of the settlor’s intention to create a strong trust.

A trust is created by a settlor, who has transfers the property to a trustee of his/her group or individual, then after that holds title to that property in trust for the benefit of the beneficiaries.

***Q4: According to the labor law what are the rights of labor?***

***Answer:***

We know that the issues of labor are undertaken by the labor court which is define as:

it is basically for labor when they have a problem they visiting labor court for their rights. A labor court is a governmental judiciary body which command on labor or employment-related matters and disputes.

In many of states, the labor are afforded [privacy in the workplace](https://employment.findlaw.com/workplace-privacy/privacy-in-the-workplace-overview.html). So this labor right applies to personal possessions, which mainly including the handbags or briefcases, storage lockers which only accessible by the labors, and also include a private mail addressed only to labor.

Employees may also have a right to have a privacy in their personal telephone conversations or voicemail messages. Because they have very limited rights to privacy in their e-mail messages and Internet usage while using the labor's computer system.

**Other important labors rights include:**

1. Labors have the Right to be free from all kind of discrimination and [harassment](https://employment.findlaw.com/employment-discrimination/understanding-different-types-of-harassment.html).
2. Labors have the Right to have a [safe workplace](https://employment.findlaw.com/workplace-safety/protecting-yourself-from-unsafe-working-conditions.html) where is no dangerous conditions and environment, toxic substances, and other potential safety danger towards the labor.
3. Labors have also a Right to be free for filing a claim or complaint against an employer so these are sometimes called ["whistleblower" rights](https://employment.findlaw.com/whistleblowers/whistleblower-protections.html). that is very important in labors rights.
4. Labors have the Right to fair wages, to equal wages for work performed.
5. Every labor has the right to work, free option of employment,
6. Everyone labor have the full rights, without any [discrimination](https://en.wikipedia.org/wiki/Discrimination) that get the [equal pay for equal work](https://en.wikipedia.org/wiki/Equal_pay_for_equal_work) from employers.
7. Everyone labor has the right and which important too, to form a trade union for theirs right and then to join [trade unions](https://en.wikipedia.org/wiki/Trade_union) for the protection of his/her interests.
8. Everyone labor has the [right to rest and to leisure](https://en.wikipedia.org/wiki/Right_to_rest_and_leisure), that should be a reasonable limitation of [working hours](https://en.wikipedia.org/wiki/Working_hours) during working and a holidays in a week and periodic [holidays with pay](https://en.wikipedia.org/wiki/Annual_leave).
9. The International Labor Organization (ILO) was come in 1919 as a part of the [League of Nations](https://en.wikipedia.org/wiki/League_of_Nations) to protect worker's rights which is important issue regarding the labor.

***Q5: Define free consent?***

***Answer:***

In the Indian Contract Act, the definition of Consent is given in Section 13, which states that “it is when two or more persons agree upon the same thing and in the same sense”

So in simple words consent is when two or more persons are said to be in consent and when they have a consent and agree upon the same thing in the same sense. So in this case when a mutual consent develops between two parties called fee consent.

According to Section 14, Consent is said to be free when it is not caused by some factor like coercion or undue influence or fraud or some misrepresentation or mutual misunderstanding mistake.

* Coercion
* Undue Influence
* Fraud
* Misrepresentation
* Mistake

**Define offer and essentials of offer?**

Offer is defined as putting something forth for consideration, for bid to other peoples, acceptance or rejection or something suggested or proposed.

**An example** when we keep offer for something like the act of putting of bid on a house. An example of offer is the suggested sum of $10000 per hour for tutoring.

In contract law, an offer is a promise which purposes the exchange for performance by another party. We also know that an offer can be revoked or terminated under certain conditions.

**Here we have 7 kinds of offers:**

1. Express offer.
2. Second is Implied offer.
3. General offer.
4. Specific Offer.
5. Cross Offer.
6. Counter Offer
7. Standing Offer

***Essentials of offer?***

There are 3 three essential elements of the offer:

***(1) The offer must be Communicated:***

The Communication or expression of the willingness through which the offered enter into a contract or to avoid or abstain from doing so is the essential for a valid offer. So its mean that not only desire or willingness to do or not to do something is not enough and will not constitute for an offer.

***(2) Terms of the offer must be clear and definite:***

Knowledge of the Intention of the parties is very essential as without this courts will not be responsible and able to decide that what the parties want to do. So Therefore, the terms of that offer must be clear and definite and not vague.

**Example**- Ali offers Taj to sell juice worth Rs 700o/-. This is not a valid offer because it is not mention that what kinds of fruits or their specific quantities are.

***(3) Must create a legal relationship***

It is essential for offer that there must be a concept of creating a legal and soft relationship otherwise it will only be an invitation.

It is simple that an offer must lead to a contract which creates legal obligations in the case of non-performance of the contract.

**Example-** dinner invitation extended by A to B so it is not a valid offer.