MGT 711 Business and labor law Final term paper
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Total 7 question all 5 marks

QNO1: First GDB as it

QNO2: What are main parts of insurance agreement, write in detail

QN3: compare and contrast sale and agreement to sell

QN4: what are unfair activities by employee write in detail

QN5: Write modes of endorsement, scenario was given

QNO6: What to do if registrars deny registering any trade union

QNO7: When new partner introduce in partnership, what about revocation of continuing guaranty, how it can be Cary on

GDB

The Case

ABC firm has three partners namely A, B and C. The firm is involved in trading of computer parts. One shop owned by Mr. A is being used by the firm for its operations. The said shop was not introduced as part of capital by Mr. A. Mr. A now wants to withdraw his shop from business use whereas other partners are not willing for this action of him. Besides he enters into an agreement with Zee traders to buy a lot of used monitors without taking consensus of other partners. Mr. B relinquishes the balance amount pending towards Mr. Taj, a debtor of the firm. A dispute arises between the partners on these grounds.

Required:

(a) What is verdict of the law for other partners for the action of Mr. A?
(b) Action of Mr. B is valid for the firm or not? Explain.
(c) What is legal solution of the disputes between the partners of ABC firm?

Solution

(a) Partnership as per **Partnership act 1932** has been defined in section 4 as **"*relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all*"**. Therefore if not otherwise mentioned in partnership deed then Mr. A is entitled to carry on the business by making purchase of monitors from Zee traders. In addition, in accordance with **section 19 and 22**, Mr. A has ***implied authority*** to carry out the business, as a partner, in the usual way, of the business kind carried on by the firm, and this will have a binding effect on the firm. **Section 25** also talks about the joint and several (individual) liabilities of the partners in this regard.

Mr. A is entitled to withdraw his shop from the business use because it was not introduced as part of capital by him. Lawfully he is not entitled to continue to offer his shop for business purposes of firm. In addition in accordance with **section 13**, Mr. A is entitled to get an interest at the rate of six percent per annum for offering his shop for business use.

(b) **(b)** Action of Mr. B is not valid for the firm because as per **section 19 and 22 of the Partnership Act 1932**, although Mr. B has implied authority that binds the firm but this ***implied authority does not empower*** him to "***compromise or relinquish any claim or portion of the claim by the firm***". By relinquishing the balance amount pending towards Mr. Taj, he is compromising claims of the firms towards its debtor, which is beyond his authority.

(c) **(c)** First of all the partners should try and finish the dispute amongst themselves through **Alternate Dispute Resolution Techniques** like***negotiation*** or if necessary ***mediation***. Still if disputes persist then if partnership is registered then in accordance with **section 59 and 69**, partners can file suit against the action of Mr. B in court. Alternatively they can ***dissolve this partnership*** in accordance with **section 40**, and come up to a new partnership deed in which every detail is mentioned about the **Capital of each partner** including the disputed shop of Mr. A, **rights of partners about making business agreements** without the consent of others, and **consequences of deeds** such as done by Mr. B along with all other necessary details; so that no further such disputes arise in the future.