



VIT[®]
Vellore Institute of Technology
(Deemed to be University under section 3 of UGC Act, 1956)

Legal Aspects of Business

Dr. J Bhavani, Faculty,
Business School
Vellore Institute of Technology

Recapitulate

Difference between

- Sale and Agreement to sell
- Sale of goods Vs Hire Purchase
- Sale of goods Vs 'Work, labour and Material
- Sale of goods Vs Barter of good

Sale of Goods Act, 1930

Subject-matter of Sale of Goods

‘Goods’ form the subject-matter of a contract of sale. It comprise all kinds of **movable property** (and not immovable) , other than the actionable claims and money.

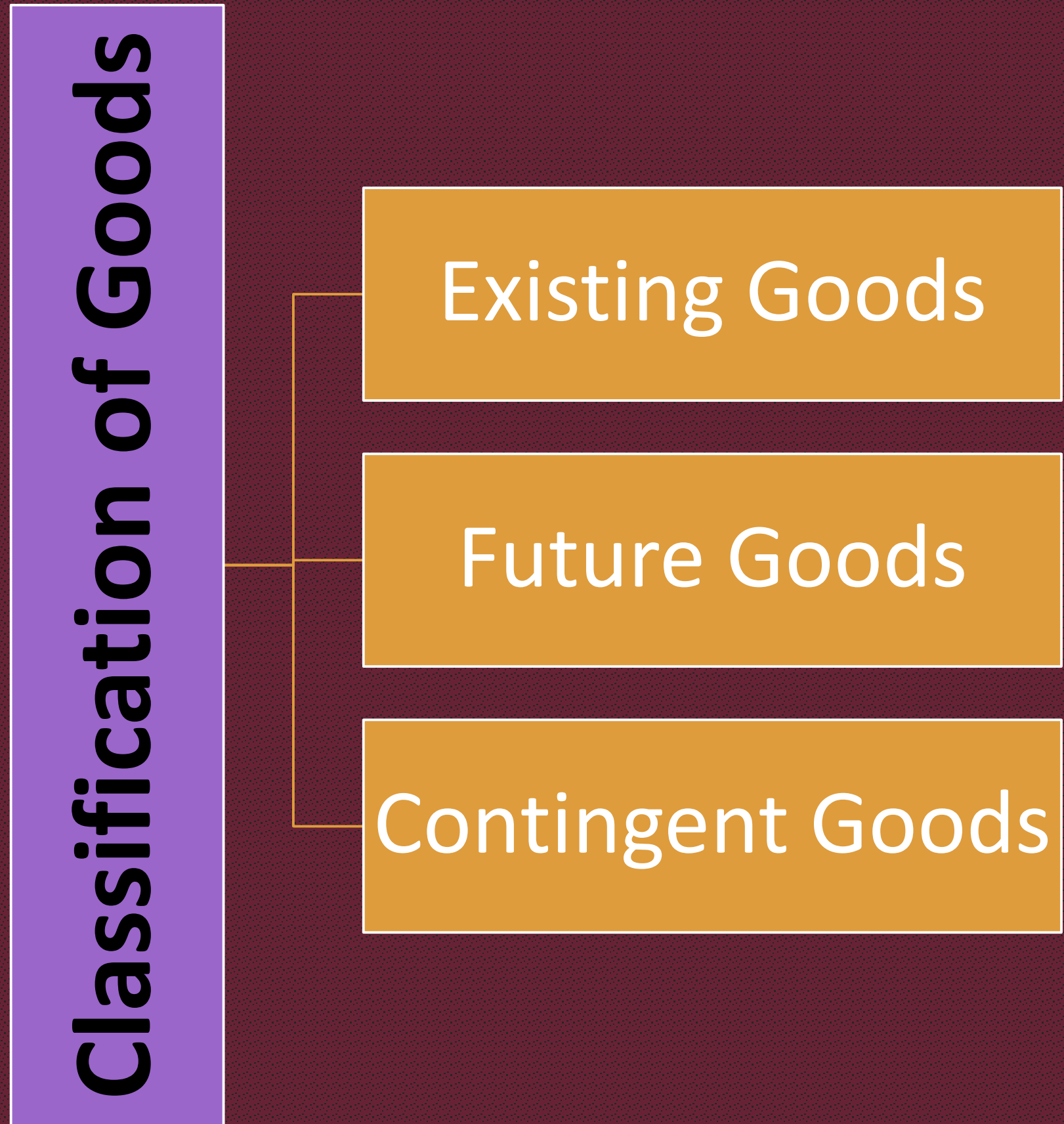
The money expressly excluded from the category of goods, because the price in the transactions of every sale is paid in terms of money.

Sale of Goods Act, 1930

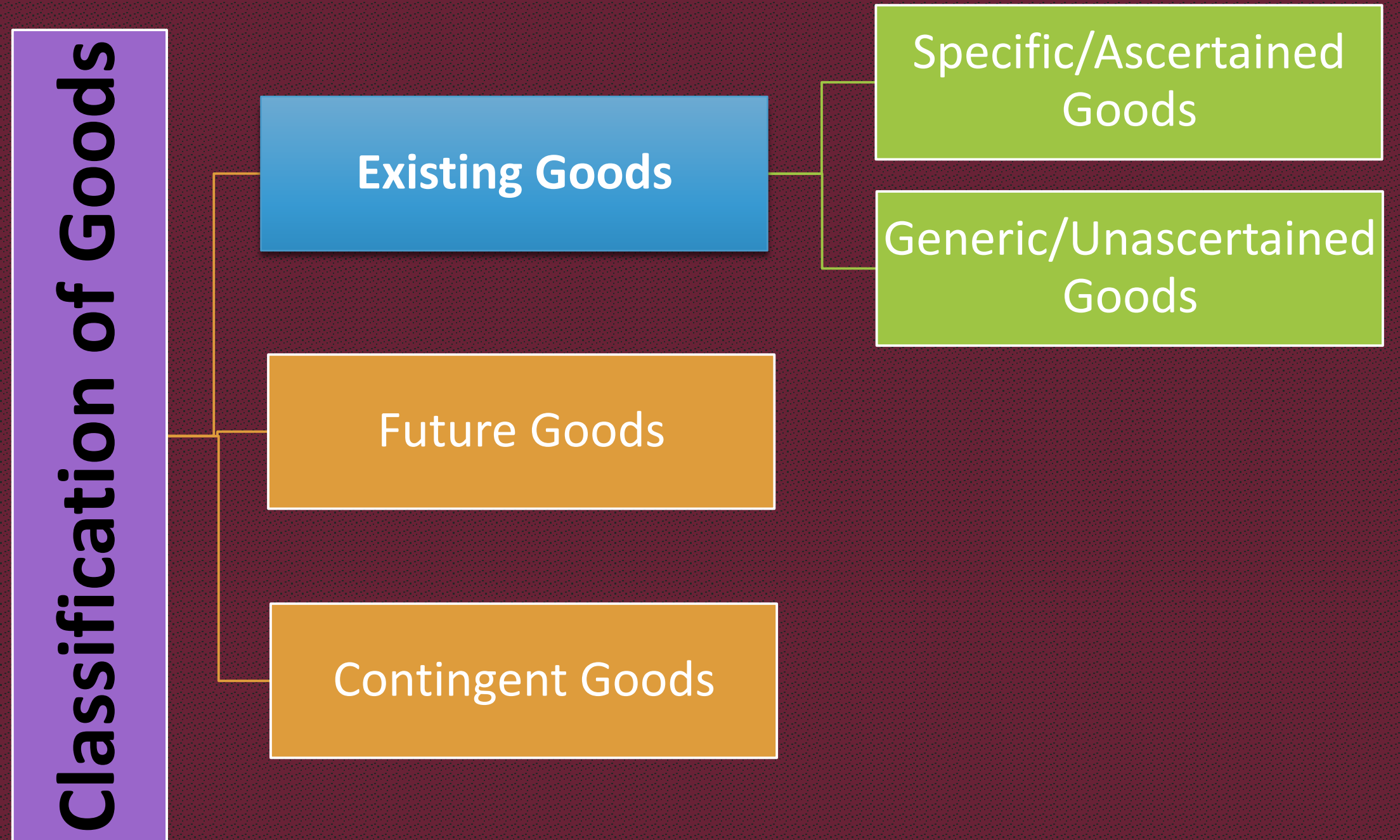
Goods Includes;

- Stocks
- Shares
- Growing crops
- Grass
- Other things attached to forming part of land
- Goodwill
- Copyright
- Trademark
- Patents
- Water
- Gas,
- Electricity, etc.,

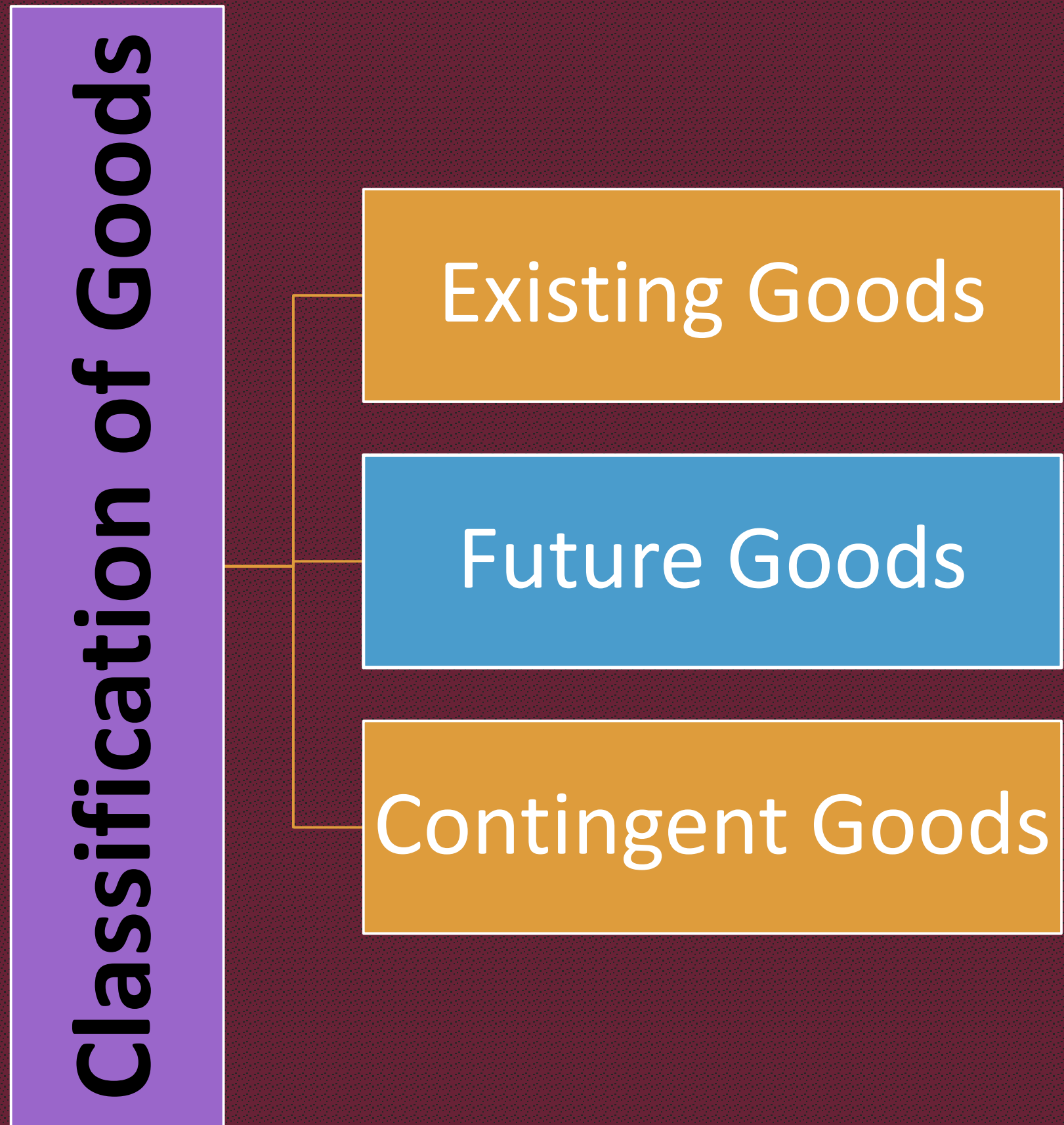
Sale of Goods Act, 1930



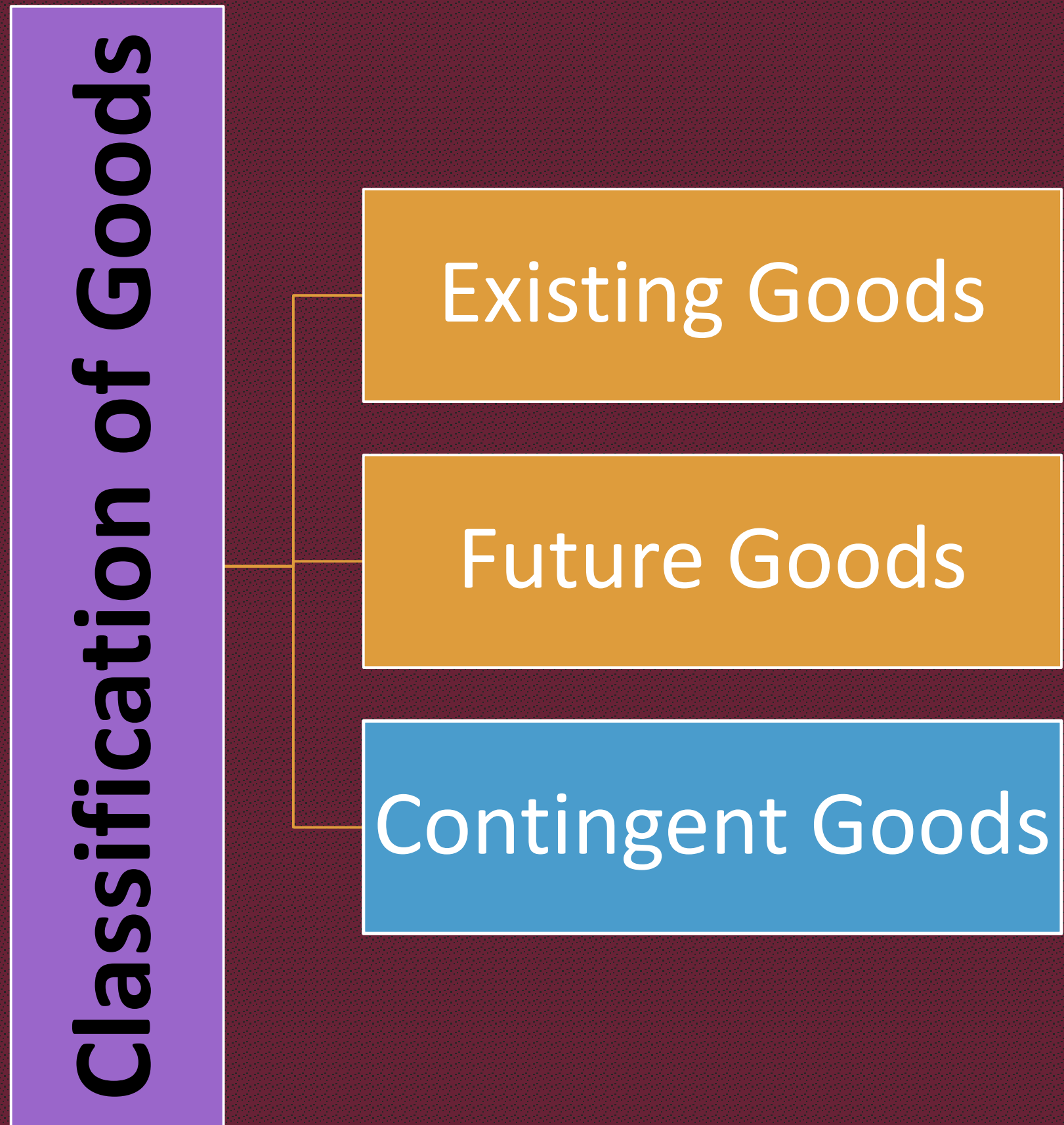
Sale of Goods Act, 1930



Sale of Goods Act, 1930



Sale of Goods Act, 1930



Sale of Goods Act, 1930

Effect of Perishing of Goods

‘Perishing’ does not means only **physical destruction** of the goods but it also covers;

1. Damage to goods (Example: Cement/Sugar spoiled by water)
2. Loss of goods by theft

1. Perishing of Specific goods at or before making of the contract

a. In case of perishing of the ‘whole’ of the goods:

Without the knowledge of the seller, perish, at or before the time of the contract, the **agreement is void**.

b. In case of perishing of only ‘a part’ of the goods:

Depends upon whether the **contract is entire or divisible**. If it is entire, the contract is void, if the contract is divisible, the buyer must accept the partly available goods

Sale of Goods Act, 1930

Effect of Perishing of Goods

2. Effect of perishing of future goods

The future goods if sufficiently identified, are to be treated as specific goods, the destruction of goods which makes the contract void.

Example: Sale of goods related to Agricultural crops

Review Questions

1. A agrees to sell to B all the milk that his cow may yield during the coming year. Which types of goods involved in this contract of sale?
2. Aravind agrees to sell to Beema a specific rare collection of coins provided he is able to get it from his father. Which types of goods involved in this contract of sale?
3. Chetan agreed to sell to Hemanth 200 tons of potatoes to be grown on Chetan's land. Chetan sowed sufficient land to grow the required quantity of potatoes, but without any fault on his part, a disease attacked the crop and he could deliver only about 100 tons. Decide the case.

Answer

1. A agrees to sell to B all the milk that his cow may yield during the coming year.
Which types of goods involved in this contract of sale?

Answer: This contract of sale made based on future goods

2. Aravind agrees to sell to Beema a specific rare collection of coins provided he is able to get it from his father. Which types of goods involved in this contract of sale?

Answer: This contract of sale made based on contingent goods

3. Chetan agreed to sell to Hemanth 200 tons of potatoes to be grown on Chetan's land. Chetan sowed sufficient land to grow the required quantity of potatoes, but without any fault on his part, a disease attacked the crop and he could deliver only about 100 tons. Whether the contract can be valid or void?

Answer: The contract of sale made based on contingent goods, so it held to void.