



FACULTY OF JURIDICAL SCIENCES

Name of the faculty- Ms. Neha Khanna
Subject Name- Drafting, Pleading and conveyancing

SUBJECT CODE- BAL-703

Course- BA LLB, VII Sem

LECTURE 35

What Is a Promissory Note?

A promissory note is a financial instrument that contains a written promise by one party (the note's issuer or maker) to pay another party (the note's payee) a definite sum of money, either on demand or at a specified future date. A promissory note typically contains all the terms pertaining to the indebtedness, such as the principal amount, interest rate, maturity date, date and place of issuance, and issuer's signature.

Although financial institutions may issue them (see below), promissory notes are debt instruments that allow companies and individuals to get financing from a source other than a bank. This source can be an individual or a company willing to carry the note (and provide the financing) under the agreed-upon terms. In effect, anyone becomes a lender when he issues a promissory note. For instance, although it isn't a given, you might be required to sign a promissory note in order to take out a small personal loan.

FORMAT-

PROMISSORY NOTE TEMPLATE

Amount: _____ Date: _____
Place: _____

I Mr. ABC, make commitment to pay XYZ Company, the Sum of \$ _____. Repayment is to be made in the form of 200 equal payments at the interest rate of 7.2% of \$ _____ payable on the 15th of each month, beginning 15/01/2013 until the total amount of debt is paid.

IN WITNESS WHEREOF, I set my hand under seal this ____ (the day) of _____ (month), 20____ and I acknowledge receipt of a completed copy of this instrument.

Sign: _____
Name & address: _____

Notary Public - 1000
My Commission Expires: _____

MCQs-

- i. the party which makes the gift deed is called
- a. donee
- b. donar
- c. bailor

d. bailee

ii. the party which receives the gift deed is called

- a. buyer
- b. seller
- c. donor
- d. donee

iii. arrange the following clauses of the gift deed in sequence

1. In favour of Mr Anand
2. the deed of gift is executed on 4th day month of may ,2019.
3. herein referred as Donee
4. whereas, the donor herein is the sole and absolute owner of the immovable property.

- a. 3124
- b. 1234
- c. 2134
- d. 4321

iv. whether a gift deed can be executed without consideration?

- a. no
- b. yes
- c. partially yes
- d. partially no

v. "a Seller" is under legal capacity to execute a gift deed.

- a. no
- b. yes
- c. partially yes
- d. partially no