



Roll No.

**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

TEST 1

Sem: Odd Sem. 2019-20

Course Code: LAW 103

Course Name: LAW OF CONTRACT

Program & Sem: BA/BBA/B.COM. LL.B. (Hons.)

Date: 30.09.2019

Time: 1.00PM to 2.00PM

Max Marks: 30

Weightage: 15%

Instructions:

i Students shall answer all the questions

Part A [Memory Recall Questions]

Answer all the Questions. Each Question carries one mark. (11Qx1M=11M)

1. The effective date of Indian Contract Act is ____ (C.O.NO.1)[Knowledge]
2. An Agreement is regarded as a Contract when it is ____ (C.O.NO.1)[Knowledge]
3. When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a _____ (C.O.NO.1)[Knowledge]
4. The communication of a proposal is complete when it comes to the ____ to whom it is made (C.O.NO.1)[Knowledge]
5. In the Case ____ it was held that there are agreements between parties which do not result in Contract within the meaning of that term in our law (C.O.NO.1)[Knowledge]
6. Quotation of a price is _____ (C.O.NO.1)[Knowledge]
7. An offer made to the world at large are ____ (C.O.NO.1)[Knowledge]
8. Every Agreement is not a _____ (C.O.NO.1)[Knowledge]
9. Agreeing upon the same thing in same sense is ____ (C.O.NO.1)[Knowledge]

10. An offer which is made by conduct is called an _____ (C.O.NO.1)[Knowledge]

11. Harvey v Facey is the best illustration for _____ (C.O.NO.1)[Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each Question carries three marks. (3Qx3M=9M)

12. Explain the objective Test of "Intention" in Contract? (C.O.NO.3) [Comprehension]

13. What are the elements that constitute 'Consideration' under Sec 2 (d) of the Indian Contract Act? (C.O.NO.3) [Comprehension]

14. When is the communication of proposals, and the acceptance of proposals deemed to be complete? (C.O.NO. 3) [Comprehension]

Part C [Problem Solving Questions]

Answer the Question. The Question carries ten marks. (1Qx10M=10M)

15. Mr. Mohan, a seller, signs an offer document and faxes it to Mr. Hari, his customer. The offer document reads: "I offer you 50 Remington pendrives (capacity 1 GB each) for a price of Rs. 20,000. The price is inclusive of all taxes. We will have the goods delivered to your premises free of charge. The goods will be delivered to you within a week. Kindly send your acceptance by signing a copy of the fax and returning it to us by fax." As the fax was just about to get transmitted, Mr. Mohan noticed that he had made a mistake in writing the price; he had intended to write Rs.22,000. Mr. Mohan tried to contact Mr. Hari on the phone but the phone was busy. A minute after the fax was sent, Mr. Mohan received a signed copy of the fax from Mr. Hari accepting the offer.

- a) Has there been a meeting of minds?
- b) Is an agreement formed between the parties?
- c) Elucidate with the support of relevant principles and law applicable and your reasons.

(C.O.NO. 4) [Application]



SCHOOL OF LAW

Semester: I Sem

Course Code: LAW 103

Course Name: LAW OF CONTRACT

Date: 30th Sept 2019

Time: 1 hr

Max Marks: 30

Weightage: 15

Extract of question distribution [outcome wise & level wise]

Q.NO	C.O.NO	Unit/Module Number/Unit /Module Title	Memory recall type [Marks allotted] Bloom's Levels			Thought provoking type [Marks allotted] Bloom's Levels			Problem Solving type [Marks allotted]			Total Marks
			K			C			A			
1	Part A 1 - 11	1	11	1X 11	Know le dge							11
2	Part B 1- 3	1				3	3X 3	Co mpr ehe nsio n				9
3	Part C 1	1							1	10	Appl icati on	10
	Total Marks		11				9			10		30

K =Knowledge Level C = Comprehension Level, A = Application Level

Note: While setting all types of questions the general guideline is that about 60%

Of the questions must be such that even a below average students must be able to attempt, About 20% of the questions must be such that only above average students must be able to attempt and finally 20% of the questions must be such that only the bright students must be able to attempt.

I here certify that All the questions are set as per the above lines Thomas
Roy Kadichini]

Annexure- II: Format of Answer Scheme



SCHOOL OF LAW

SOLUTION

Semester: I

Course Code: LAW 103

Course Name: LAW OF CONTRACT

Date: 30th Sept 2019

Time: 1hr

Max Marks: 30

Weightage: 15

Part A

(11 x 1 = 11Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
Part A	April 25 1872	1 Mark for the complete answer; ½ mark if only the year is given	1 minute
1.			
2.	Enforceable by law	1 Mark for the complete answer; ½ mark if only 'Enforceable' is given	1 minute
3.	Contract	1 Mark for the complete answer	1 minute
4.	Proposal	1 Mark	1 minute
5.	Knowledge of the person	1 Mark	1 minute
6.	Balfour v Balfour	1 Mark	1 minute
7.	Consent	1 Mark	1 minute
8.	Invitation to offer	1 Mark	1 minute
9.	General Offers	1 Mark	1 minute
10.	Implied offer	1 Mark	1 minute
11.	Invitation to offer	1 Mark	1 minute

Part B

(3 x 3 = 9 Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
1.	<p>The test is objective and subjective;</p> <p>What matters is not what the parties had in mind but what a reasonable person would think, in the circumstances, their intention to be.</p>	<p>The test is objective and subjective – 1 mark</p> <p>What matters is not what the parties had in mind – 1 mark</p> <p>but what a reasonable person would think, in the circumstances, their intention to be – 1 mark</p>	5 minutes
2	<p>The act or abstinence, which is to be a consideration for the promise, should be done at the desire of the promisor;</p> <p>It should be done by the promisee or any other person;</p> <p>The act or abstinence may have been already executed or is in the process of being done or may be still promised to be done</p>	<p>The act or abstinence, which is to be a consideration for the promise, should be done at the desire of the promisor - 1 mark</p> <p>It should be done by the promisee or any other person - 1 mark</p> <p>The act or abstinence may have been already executed or is in the process of being done or may be still promised to be done - 1 mark</p>	5 minutes
3	<p>The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made;</p> <p>The communication of an acceptance is complete –</p> <p>(a)As against the proposer, when it is put in a course of transmission to him, so as to be out of the</p>	<p>The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made - 1 mark</p> <p>The communication of an acceptance is complete –</p> <p>(a)As against the proposer, when it is put in a course of transmission to him, so as to be out of the power of the acceptor - 1 mark</p> <p>(b)As against the acceptor, when it comes to the knowledge of the proposer - 1 mark</p>	5 minutes

	<p>power of the acceptor;</p> <p>(b)As against the acceptor, when it comes to the knowledge of the proposer.</p>		
--	--	--	--

Part C

(1 x 10 = 10 Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
1.	<p>Has there been a meeting of minds?</p> <p>Key: No meeting of the minds.</p> <p>Is an agreement formed between Mohan and Hari?</p> <p>Key: A Contract is formed by two parties as a result of their intentions and understanding</p> <p>The intentions to be ascertained from actions and not from the subjective intentions of the parties</p> <p>- There has been offer and acceptance,</p>	<p>Mohan never intended to sell the goods for Rs.20,000 – 1/2 mark</p> <p>Thus there was no meeting of the minds – 1 mark</p> <p>consensus ad idem – ½ mark</p> <p>A Contract is formed by two parties as a result of their intentions and understanding – 1 mark</p> <p>The intentions to be ascertained from actions and not from the subjective intentions of the parties – 1 mark</p> <p>There has been offer and acceptance, which was communicated – 2 mark</p> <p>The offer was never revoked, before it was accepted – 1 mark</p> <p>A valid agreement has been formed between Mohan and Hari – 2 marks</p> <p>If subjective intentions were the basis for a contract, anyone would assert that in his mind he never intended to get into contract. Hence the Courts would go with the objective manifestation that what a normal person in those circumstances would have intended – 1 mark</p>	

	<p>which was communicated</p> <ul style="list-style-type: none">- The offer was never revoked, before it was accepted- There is an agreement between Mohan and Hari- If subjective intentions were the basis for a contract, anyone would assert that in his mind he never intended to get into contract. Hence the Courts would go with the objective manifestation that what a normal person in those circumstances would have intended		
--	---	--	--



**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

TEST – 1 (MAKE-UP)

Roll No.

Sem & AY: Odd Sem 2019-20

Date: 23.10.2019

Course Code: LAW 103

Time: 9.30 to 10.30 AM

Course Name: LAW OF CONTRACTS

Max Marks: 30

Program & Sem: BA/BBA/B.Com.,LL.B. & I

Weightage: 15%

Instructions:

- (i) Students are expected to rely on the question paper as it is. No clarification is to be sought.
- (ii) Use of electronic gadgets is strictly prohibited and will be treated as malpractice.
- (iii) Answers that are apt and to the point would be highly appreciated.

Part A [Memory Recall Questions]

Answer all Questions. Each Question carries one mark.

(11Qx1M=11M)

1. When did the Indian Contract Act, 1872 come into force in India?
(C.O.NO.1) [Knowledge]
2. Which of the following may be enforced:
 - a. Void Agreement
 - b. Voidable Agreement
 - c. Illegal Agreement
 - d. None of the above(C.O.NO.1) [Comprehension]
3. The definition of a contract is provided under _____ of the Indian Contract Act, 1872.
(C.O.NO.1) [Knowledge]
4. The person who makes an offer is called a/an _____ and the person who accepts the offer becomes a/an _____.
(C.O.NO.1) [Knowledge]
5. Display of goods at an outlet of Pantaloons in any Mall constitutes:
 - a. Offer
 - b. Acceptance
 - c. Consideration
 - d. None of the above.(C.O.NO.1) [Comprehension]

6. *Balfour v. Balfour* is a leading case on _____.
(C.O.NO.1) [Comprehension]
7. Every contract in its ultimate analysis can be broken down into two concepts- _____
& _____.
(C.O.NO.1) [Comprehension]
8. An offer, in order to be complete, must be _____ to the other party.
(C.O.NO.1) [Knowledge]
9. State True or False: The Indian Contract Act, 1872 cannot be applied retrospectively.
(C.O.NO.1) [Knowledge]
10. State True or False: The provisions contained in the Indian Contract Act, 1872 does not affect any incident of a contract which is inconsistent with the provisions of the Indian Contract Act, 1872.
(C.O.NO.1) [Knowledge]
11. An agreement between Ranbir and Ranveer to kill Ayushmann is:
a. Valid
b. Voidable
c. Void ab initio
d. Void, but not illegal
(C.O.NO.1) [Comprehension]

Part B [Thought Provoking Questions]

Answer all the Questions. Each Question carries three marks. (3QX3M=9M)

12. Bruce Wayne offered to sell his vehicle to Clark Kent at the price of 3 Million USD. Kent agreed to purchase it at the agreed price. However, Wayne was intending to offer his Lamborghini Veneno Roadster [LVR], whereas Kent was intending to purchase the Bat Mobile (another car) which belonged to Mr. Wayne. Does this amount to contract? Give a reasoned answer.
(C.O.NO.2&3) [Application]
13. Justice Blackburn in a landmark judgment has remarked, "Contract requires exchange of promises". He has further commented that "Exchanging offers is not the same as exchanging promises". In the light of the above mentioned statements, give an elucidative explanation of the relevant concept.
(C.O.NO.2) [Comprehension]
14. Aamir Khan promised to pay Rs. 1,00,000 to Joseph James, the Secretary of the Shiv Kalyan Society, a residential society in the city of Kolkata for the construction of restrooms in the society. Based on the promise made by Mr. Khan, Mr. James entered into a contract with Mr. Anjani Dubey for the construction of the restrooms

for the consolidated amount of Rs. 1,25,000. Mr. Khan denied to pay later on arguing that he only made a promise and a contract was never entered into between Mr. Khan and Mr. James. Being aggrieved, Mr. James approached the court for relief. Give a reasoned answer as to whether Mr. Khan was liable or not? And if liable, then decide the extent of his liability.

(C.O.NO.2&3) [Application]

Part C [Problem Solving Questions]

Answer all the Questions.

(1Q=10M)

15. B. Stoned and Chill Ltd. is a listed company. On 29th July, 2019, the company came up with its prospectus and offered its 100 shares to the public at large at the rate of Rs. 10 each. The shares were to be applied for on or before 1st of August, 2019. There were two applications within the allotted time from Mr. Suttawala and Mr. Daaruwala for 100 shares each. However, the application from Mr. Daaruwala came on 30th July, 2019; whereas the application from Mr. Suttawala came on 31st July, 2019. The company made the allotment on pro-rata basis and 50 shares were allotted to each of the two applicants. This was utterly displeasing to Mr. Daaruwala. Consequently, he decided to approach the court against B. Stoned and Chill Ltd. and contended that as he accepted the offer to purchase 100 shares first; a contract was concluded and thence, the company must allot him 100 shares, which the company refused to do.

- a. On the basis of the facts given, you are required to decide the liability of B. Stoned and Chill Ltd., and if liable, then the extent of liability on the basis of the principles of Contract Law. Also explain the underlying concept behind your answer. [6 M]
- b. In case there was only one application by only Mr. Daaruwala for 100 shares and in such circumstances, if the company desires to allot and subsequently allots only 50 shares to him, can the company be held liable? Give reasons on the understanding of the principles of Contract Law for your answer. [2 M]
- c. In the circumstances provided under (b) above; can the liability of B. Stoned and Chill Ltd. be enhanced or fixed if the share application amount of 100 shares were deposited by Mr. Daaruwala in the specified registered bank account of the Company. Give a reasoned statement for your answer. [2 M]

(C.O.NO.2&3) [Analysis]



SCHOOL OF LAW

Semester: 1

Course Code: LAW 103

Course Name: Law of Contracts

Date: 30th September, 2019

Time: 60 minutes

Max Marks: 30

Weightage: 15

Extract of question distribution [outcome wise & level wise]

Q.NO	C.O.NO	Unit/Module Number/Unit /Module Title	Memory recall type			Thought provoking type			Problem Solving type			Total Marks
			[Marks allotted]	Bloom's Levels		[Marks allotted]	Bloom's Levels		[Marks allotted]			
			K/C/A			K/C/A			K/C/A			
A1.	1	1	1									1
A2.	1	1		1								1
A3.	1	1	1									1
A4.	1	1	1									1
A5.	1	1		1								1
A6.	1	1		1								1
A7.	1	1		1								1
A8.	1	1	1									1
A9.	1	1	1									1
A10.	1	1	1									1
A11.	1	1		1								1
B1.	2,3						3					3

B2.	2						3					3
B3.	2,3							3				3
C1.	2,3									3	7	10
	Total Marks		6	5	-	-	3	6	-	3	7	30

K =Knowledge Level C = Comprehension Level, A = Application Level

Note: While setting all types of questions the general guideline is that about 60%

Of the questions must be such that even a below average students must be able to attempt, About 20% of the questions must be such that only above average students must be able to attempt and finally 20% of the questions must be such that only the bright students must be able to attempt.

[I hereby certify that All the questions are set as per the above guide lines. Mr. Sandeep Jain]

Reviewers' Comments

Annexure- II: Format of Answer Scheme



SCHOOL OF LAW

SOLUTION

Semester: 1

Course Code: LAW 103

Course Name: Law of Contracts

Date: 30th September, 2019

Time: 60 minutes

Max Marks: 30

Weightage: 15

Part A

(1 x 11 = 11)

Q No	Solution	Scheme of Marking	Max. Time required for each Question (in Minutes)
1	1.9.1872		1
2	b		1
3	Section 2(h)		1
4	Offeror/promisor; offeror/promise		1
5	d		1
6	Intention to create legal relationship		1
7	Offer: acceptance		1
8	Communicated		1
9	True		1
10	False		1
11	c		1

Part B

(3 x 3 = 9)

Q No	Solution	Scheme of Marking	Max. Time required for each Question (in minutes)
------	----------	-------------------	---

1	No. Lack of Consensus ad idem or meeting of minds	1 marks for deciding the status 2 marks for the correct explanation with example or case law	9
2	Cross Offer. An offer can be accepted only when it is made and an offer in response of an offer is not a valid acceptance	1 marks for the identification of the concept 2 marks for the explanation with example or case law	10
3	Mr. Khan is liable. Due to the doctrine of promissory estoppel. Maximum liability would be Rs. 1,00,000.	1 marks for deciding liability: 1.5 marks for explaining reason and concept with example or case law: 0.5 marks for correctly stating the extent of liability	10

Part C

(1 x 10 = 10)

Q No	Solution	Scheme of Marking	Max. Time required for each Question (in minutes)
1	B. Stoned and Chill Ltd. was not liable as there was no contract concluded between them. The applicants have made an offer against the invitation to offer by the company. An invitation to offer does not become a contract just on the tendering of offer and requires acceptance by the party inviting offers (B. Stoned and Company in this case). Even in the altered circumstances, the company cannot be held liable as the	1 marks to decide the liability of the Company 2 marks for identification of the underlying reasons, viz. invitation to offer 3 marks for the explanation of the concept with example or case law and contrasting it against offer 1 mark for deciding liability 1 mark for the explaining the correct reason 1 mark for deciding the liability 1 mark for rejecting the idea of promissory estoppel	20

relevant fact of company only making an invitation to offer does not change and hence, a contract is not concluded and even a promise is not reached.

No, because the concept of promissory estoppel can be applied only when a promise is there and the promise is formed when there is offer and acceptance which is not true in the instant case.



Roll No.

**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

TEST – 2

Sem & AY: Odd Sem 2019-20

Course Code: LAW 103

Course Name: LAW OF CONTRACTS

Program & Sem: B.A./B.B.A./B.Com.,LL.B.(Hons.) & I

Date: 18.11.2019

Time: 1.00 PM to 2.00 PM

Max Marks: 30

Weightage: 15%

Instructions:

- (i) Students are expected to rely on the question paper as it is. No clarification is to be sought.
- (ii) Use of electronic gadgets is strictly prohibited and will be treated as malpractice.
- (iii) Answers that are apt and to the point would be highly appreciated.

Part - A [Memory Recall Questions]

Answer all Questions. Each Question carries one mark.

(5Qx1M=5M)

1. Generally speaking, in a contract between Ram and Leela, the brother of Leela, Mr. Sugriva (third party) cannot sue on the contract because of the doctrine of _____.
[CO1, Knowledge]
2. State True or False: Revocation of acceptance is not possible under Indian Law.
[CO1, Knowledge]
3. According to Section 7 of the Indian Contract Act of 1872, acceptance must be _____ and _____.
[CO1, Knowledge]
4. State True or False: The communication of acceptance to any party other than the proposer/offeror is not a valid acceptance under law.
[CO1, Knowledge]
5. An offer was made by Ramprasad Bismil through e-mail from Kakori to Subhash Chandra Bose in Kolkata. Given the lucrative offer, Mr. Bose immediately accepted the offer through e-mail that was sent from Asansol and was received by Mr. Bismil at Kakori. Where is the contract concluded as per the general principles of Contract Law?
[CO1, Comprehension]

Part – B [Thought Provoking Questions]

Answer all the Questions. Each question carries five marks.

(3QX5M=15M)

6. The doctrine of privity of contract has been diluted by the introduction and recognition of a number of exceptions in the present era. In the light of the above statement, explain the doctrine of the Privity of Contract. Also, highlight the various exceptions to the doctrine and discuss any three of such exceptions with relevant case laws.

[CO1, Comprehension]

7. The Indian Contract Act, 1872 recognizes various modes of revocation. Discuss the various forms of revocation with reference to the relevant sections and case laws.

[CO1, Comprehension]

8. State True or False and explain the reason for your answer: “*All contracts are agreements, but all agreements are not contracts.*”

[CO2, Application]

Part – C [Problem Solving Questions]

Answer both the Questions.

(2Q=10M)

Analyze the following set of facts and answer the questions that follows-

9. FACTS:

An offer was made from Aarzoo to Tamanna to sell her Adibas Shoes and Nyke Socks for an amount of Rupees 6900. The offer was made by post on 23.10.2019. Tamanna accepted the offer by post which was sent on 25.10.2019 and was received by Aarzoo on 27.10.2019. But even before the acceptance was put into the course of transmission by the acceptor (Tamanna), the offeror Aarzoo sent a letter of revocation by post on 24.10.2019, which was received by Tamanna on 26.10.2019.

Based on the facts mentioned above, decide whether a contract has been formed according to the Indian Contract Act of 1872 with due reference to the provisions contained in the Indian Contract Act, 1872 and the various cases decided by the Indian judiciary in this regard. [6 marks]

[CO2 and CO3, Analysis]

10. FACTS:

An offer was made by Mr. Diamonds to Mr. Spades to sell the only published copy of his favorite book ‘the Art of Winning Hearts’ for a sum of Rupees 2800 on 1.11.2019. Mr. Spades was shown the same book by Mr. Clubs on 3.11.2019 who said that he had purchased the book from Mr. Diamonds on 2.11.2019, and hence the offer was deemed to be revoked. On 5.11.2019, Mr. Spades went to Mr. Diamond and accepted the offer made to him on 1.11.2019.

Based on the set of facts mentioned above, answer the following:

- a) Can Mr. Spades validly accept the offer?
- b) Has the revocation been validly made by the flow of information to Mr. Spades?
- c) Can Mr. Spades successfully sue Mr. Diamonds in case of his denial to sell the offered book? [1+1+2 marks]

[CO2 and CO3, Analysis]



SCHOOL OF LAW

Semester: 1

Course Code: LAW 103

Course Name: Law of Contracts

Date: 18th November, 2019

Time: 60 minutes

Max Marks: 30

Weightage: 15

Extract of question distribution [outcome wise & level wise]

Q.NO	C.O.NO	Unit/Module Number/Unit /Module Title	Memory recall type			Thought provoking type			Problem Solving type			Total Marks
			[Marks allotted]			[Marks allotted]			[Marks allotted]			
			Bloom's Levels			Bloom's Levels			[Marks allotted]			
			K/C/A			K/C/A			K/C/A			
1	1	1	1									1
2	1	1	1									1
3	1	1	1									1
4	1	1	1									1
5	1	1		1								1
6	1	1					5					5
7	1	1					5					5
8	2	1						5				5
9	2,3	1									6	6
10	2,3	1									4	4
	Total Marks		4	1	-	-	10	5	-	-	10	30

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

K = Knowledge Level C = Comprehension Level, A = Application Level

Note: While setting all types of questions the general guideline is that about 60%

Of the questions must be such that even a below average students must be able to attempt, About 20% of the questions must be such that only above average students must be able to attempt and finally 20% of the questions must be such that only the bright students must be able to attempt.

Annexure- II: Format of Answer Scheme



SCHOOL OF LAW

SOLUTION

Semester: 1

Course Code: LAW 103

Course Name: Law of Contracts

Date: 18th November, 2019

Time: 60 minutes

Max Marks: 30

Weightage: 15

Part A

(1 x 5 = 5)

Q No	Solution	Scheme of Marking	Max. Time required for each Question (in Minutes)
1	Privity of Contract		1
2	False		1
3	Absolute, unqualified		1
4	True		1
5	Kakori		3

Part B

(3 x 3 = 9)

Q No	Solution	Scheme of Marking	Max. Time required for each Question (in minutes)

6	<p>Exceptions to the rule:</p> <ol style="list-style-type: none"> 1. Trust or Charge 2. Family Settlements, marriage settlements and other arrangements 3. Assignment 4. Acknowledgement 5. Covenants running with land 6. Statutory Exceptions 	<p>1 marks for explaining the concept 1 marks for mentioning the exceptions 3 marks for explaining three exceptions</p>	9
7	<p>Section 6 of Indian Contract Act, 1872:</p> <ol style="list-style-type: none"> 1. Notice of Revocation 2. Lapse of time 3. Condition Precedent 4. Death or Insanity of offeror 	<p>1 marks for mentioning the modes 4 marks for the explanation with example or case law</p>	10
8	<p>True.</p> <p>Section 10 of Indian Contract Act, 1872:</p> <ol style="list-style-type: none"> 1. Free Consent 2. Parties competent to contract 3. Lawful object 4. Lawful Consideration 5. Not expressly declared to be void 	<p>1 marks for True; 4 marks for explaining the characteristics with examples</p>	10

Part C

(1 x 10 = 10)

Q No	Solution	Scheme of Marking	Max. Time required for each Question (in minutes)
9	<p>Yes, the contract is not formed. The offer was not revoked validly before acceptance. Hence, the acceptance has led to</p>	<p>1 marks to decide the status of contract 1 marks to decide the status of revocation of offer 4 marks for explaining the interplay of Sections 4, 5 and 6</p>	13

	the formation of a binding contract.		
10	a. Yes b. No c. Section 6 requires the communication of notice of revocation by the offeror only	1 marks for (a) and (b) 2 marks for explaining (c)	11



Roll No

**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

END TERM FINAL EXAMINATION

Semester: Odd Semester: 2019 - 20

Course Code: LAW103

Course Name: LAW OF CONTRACT

Program & Sem: B.A.LLB/B.Com.LLB/BBA.LLB & I

Date: 02 January 2020

Time: 9.30 AM to 12.30 PM

Max Marks: 100

Weightage: 50%

Instructions:

(i) *Read the all questions carefully and answer accordingly.*

Part A [Memory Recall Questions]

1. Answer all the Questions. Each Question carries 1 mark (24Qx1M=24M)

- a. The Law of Contract in India is governed by _____ Act. (C.O.No.1)
- b. The only exception mentioned in Sec. 27 of the Contract Act is that relating to sale of _____ (C.O.No.2)
- c. A person is said to be of _____ for the purpose of making a contract if, at the time when he makes it he is capable of understanding it and forming a rational judgment as to its effect upon his interests. (C.O.No.3)
- d. The rule of _____ does not prevent a person from enforcing a contract which has been made for his benefit but without his being a party to it. (C.O.No.3)
- e. Every person is competent to contract who is of the age of _____ according to the law to which he is subject, and who is of sound mind, and is not disqualified from contracting by any law to which he is subject. (C.O.No.2)
- f. If an infant obtains property or goods by misrepresenting his age, he can be compelled to restore it, but only so long as the same is traceable in his _____. (C.O.No.3)
- g. An agreement made for a "fraudulent" purpose is _____. (C.O.No.1)
- h. An agreement enforceable by law is _____. (C.O.No.1)
- i. Quotation of a price is a _____. (C.O.No.1)

- j. Every Promise and set of promises forming consideration to each other is _____ (C.O.No.1)
- k. _____ occurs where one of the parties represents himself to be some person other than he really is. (C.O.No.1)
- l. Agreeing upon the same thing in same sense is _____. (C.O.No.1)
- m. Consideration means _____. (C.O.No.1)
- n. Agreement made without consideration is _____. (C.O.No.1)
- o. When consent of parties are not free, the contract is _____. (C.O.No.1)
- p. Agreement in restraint of marriage is valid in case of _____. (C.O.No.1)
- q. Agreement which prevents a person from carrying a lawful business is _____ (C.O.No.3)
- r. A wrong statement made unintentionally to deceive other party _____ (C.O.No.2)
- s. Minor's agreement is _____. (C.O.No.1)
- t. The Indian Contract Act became effective from _____. (C.O.No.1)
- u. An offer made to the world at large is _____. (C.O.No.2)
- v. When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a _____. (C.O.No.2)
- w. Where the _____ of the other party is of vital importance to the offeror, a mistake as to identity will prevent an agreement from arising. (C.O.No.2)
- x. An agreement is _____ if the court regards it as opposed to public policy. (C.O.No.2)

Part B [Thought Provoking Questions]

Answer all the Questions. Each Question carries 6 marks.

(6Qx6M=36M)

2. What is 'Doctrine of Restitution'? Explain the doctrine with the support of decided cases.

(C.O.No.1) [Comprehension]

3. Rudolf Sanderson, a co-pilot in Exodus airline, brought a plane to Delhi on 28th April 2019. He had to report for his next duty only on 30th August 2015. So Exodus airline had booked a room in Hotel Utopia International for his stay during the intervening period between his flights. On arrival in Delhi, Rudolf Sanderson checked into the hotel. In the evening he visited the swimming pool of the hotel and decided to swim. As he jumped from the diving board of the pool, his head hit the bottom of the swimming pool. There was severe bleeding from his ears and his right arms and legs were paralysed. He was hospitalized for 4 months. After Rudolf Sanderson was discharged from the hospital, he again visited the pool to inspect the pool and found that the defective and negligent positioning of the diving board has led to the accident. He wanted to file a case against the hotel, claiming damages. But Rudolf Sanderson is confused whether he can file a case against the hotel as he has not made the booking. He has approached you for the legal advice. Provide your advice with reasons

(C.O.No.3) [Application]

4. Distinguish the person of 'Sound mind' and 'Unsound mind' under Sec. 12 of the Indian Contract Act. (C.O.No.2) [Analysis]

5. Critically analyse the concept of communication of proposals, and the acceptance of proposals under the Indian Contract Act.

(C.O.No.2) [Analysis]

6. Distinguish between Past Consideration, Executed Consideration, and Executory Consideration citing examples. (C.O.No.2) [Analysis]

7. Decide whether the considerations involved in the below transactions are lawful considerations: (C.O.No.3) [Application]

- a) Kulkarni agrees to sell his house in Marina enclave for a consideration of 10 crore.
- b) Neena promises to pay Nina 5,000 rupees at the end of six months, if Sunaina who owes that sum to Nia, fails to pay it. Nina promises to grant time to Sunaina accordingly.
- c) Sujatha promises to maintain Sunitha's child and Sunitha promises to pay Sujatha an amount of Rs. 36,000/- yearly for performing such duty.
- d) John, Jaffer and Janardhnan enter into an agreement for the division among them of gains acquired, or to be acquired, by them by fraud.

Part C [Analytical Questions]

Answer all the Questions.

(3Q=40M)

- 8. An agreement is unlawful if the court regards it as opposed to Public Policy. Critically analyse this statement with your reasons. (C.O.No.2) [Analysis] [15M]
- 9. Critically examine the factors that vitiate a contract, under the Indian Contract Act. (C.O.No.2) [Analysis] [10M]

10. Explain the 'Doctrine of Frustration'. State the validity of the below agreements with logical reason. (C.O.No.3) [Application] [15M]

- a. Sandeep and Govind together agreed to discover treasure by magic.
- b. Sachin and Sonali agrees to marry each other. Before the time is fixed for the marriage, Sachin goes mad.
- c. Bradman is a native of the Land of Thunderbolts. He contracts with Helen to take her cargo to a foreign port situated in the country Cape of Goodhope. The government of Land of Thunderbolts afterwards declares war against Cape of Goodhope in which the port is situated.
- d. Vardhman contracts with Minerva theatre to act at their theatre for six months in consideration of a sum, paid in advance by Minerva. On several occasions Vardhman is too ill to act.



SCHOOL OF LAW

END TERM FINAL EXAMINATION

Extract of question distribution [outcome wise & level wise]

Q.NO.	C.O. NO (% age of CO)	Unit/Module Number/Unit /Module Title	Memory recall type	Thought provoking type	Problem Solving type	Total Marks
			20	30		
			Bloom's Levels	Bloom's Levels		
			K	C	A	
1 (a-x)	1	1-8	24			24
2.	1	2		6		6
3.	3	2			6	6
4.	2	3		6		6
5.	2	1		6		6
6.	2	2		6		6
7.	3	2			6	6
8.	2	5		15		15
9.	2	4		10		10
10.	3	6			15	15
Total Marks			24	49	27	100

K =Knowledge Level C = Comprehension Level, A = Application Level

Note: While setting all types of questions the general guideline is that about 60%

Of the questions must be such that even a below average students must be able to attempt, About 20% of the questions must be such that only above average students must be able to attempt and finally 20% of the questions must be such that only the bright students must be able to attempt.

I hereby certify that all the questions are set as per the above guidelines.

Faculty Signature:

Reviewer Commend:

Format of Answer Scheme



SCHOOL OF ENGINEERING

SOLUTION

Semester: Odd Sem. 2019-20

Course Code: LAW 103

Course Name: LAW OF CONTRACT

Program & Sem: B.A.LL.B/B.COM LL.B/ BBA.LL.B I Sem

Date: 02 Jan 2020

Time: 9.30AM TO 12.30

Max Marks: 100

Weightage: 50%

Part A

(20Q x 1M = 20Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
1.a.	Indian Contract Act, 1872	1 mark	1 minute
1.b.	Goodwill	1 mark	1 minute
1.c.	Sound mind	1 mark	1 minute
1.d.	Privity of contract	1 mark	1 minute
1.e.	Majority	1 mark	1 minute
1.f.	Possession	1 mark	1 minute
1.g.	Void	1 mark	1 minute
1.h.	Contract	1 mark	1 minute
1.i.	Invitation to offer	1 mark	1 minute
1.j.	Agreement	1 mark	1 minute
1.k.	Mistake as to identity	1 mark	1 minute
1.l.	Consensus ad idem/Consent	1 mark	1 minute
1.m.	Something in return	1 mark	1 minute

1.n.	Void	1 mark	1 minute
1.o.	Voidable contract	1 mark	1 minute
1.p.	Minors	1 mark	1 minute
1.q.	Void	1 mark	1 minute
1.r.	Misrepresentation	1 mark	1 minute
1.s.	Void ab initio	1 mark	1 minute
1.t.	1 st September, 1872	1 mark	1 minute
1.u.	General Offers	1 mark	1 minute
1.v.	Proposal	1 mark	1 minute
1.w.	Identity	1 mark	1 minute
1.x.	Unlawful	1 mark	1 minute

Part B

(6Q x 6M = 36 Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
2	Obtaining property by misrepresenting the age. He can be compelled to restore. If he has sold the goods, he cannot be made to repay the value of the goods. That amount to enforcing a void contract.	Obtaining property by misrepresenting the age – 1 mark He can be compelled to restore – 1 mark If he has sold the goods, he cannot be made to repay the value of the goods – 1 mark That amount to enforcing a void contract – 1 mark If any case is cited – 1 mark 1 mark for overall answer	12 minutes
3	Privity to Contract and the exception that the beneficiary can sue.	Concept of Privity to contract – 2 marks Exception – beneficiary can sue – 2 mark	12 minutes

		Case Law/Illustration – 2 mark	
4	Sec. 12	Each point will be given 1 Mark. Any illustration given shall also be given 1 mark	12 minutes
5	<p>The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made;</p> <p>The communication of an acceptance is complete –</p> <p>(a)As against the proposer, when it is put in a course of transmission to him, so as to be out of the power of the acceptor;</p> <p>(b)As against the acceptor, when it comes to the knowledge of the proposer.</p>	<p>The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made - 2 mark</p> <p>The communication of an acceptance is complete –</p> <p>(a)As against the proposer, when it is put in a course of transmission to him, so as to be out of the power of the acceptor - 2 mark</p> <p>(b)As against the acceptor, when it comes to the knowledge of the proposer - 2 mark</p>	12 minutes
6	Concept of Past Consideration, Executed Consideration, and Executory Consideration	1 ½ marks each for each concepts - Past Consideration, Executed Consideration, and Executory Consideration. $\frac{1}{2}$ marks for the overall answer.	12 minutes
7	<p>a) Lawful</p> <p>b) Lawful</p> <p>c) Lawful consideration</p> <p>d) The agreement is void, as its object is Unlawful.</p>	1 ½ marks each point	

Part C

(3Q = 40Marks)

Q No	Solution	Scheme of Marking	Max. Time required for each Question
8	Definition of Public Policy; Heads of Public Policy – i) Trading with the enemy; ii) Trafficking in Public Offices; iii) Interferences with Administration of Justice - Interference with the course of Justice – Stiffling prosecution -Maintenance and “Champerty” iv) Marriage brokerage Contracts v) Unfair or unreasonable dealings	Total 15 marks – 3 marks each for elaborating each point	21 minutes
9	i) Coercion ii) Undue influence iii) Misrepresentation iv) Fraud v) Mistake	Total 10 marks - Elaborating each point - 2 marks	21 minutes
10	-Meaning and definition of Frustration -The agreement is void -The contract becomes void. -The contract becomes void when war is declared -The contract to act on those occasions becomes void	Total 15 marks – 3 marks each for each point	21 minutes

