



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Mid - Term Examinations – October 2025

Date: 08-10-2025

Time: 11.45am to 01.15pm

School: SOL	Program: BA.LLB (Hons.) , BBA LLB (Hons.)	
Course Code: LAW2122	Course Name: Law of Contract-I	
Semester: I	Max Marks: 50	Weightage: 25%

CO - Levels	CO1	CO2
Marks	22	24

Instructions:

- Read all questions carefully and answer accordingly.
- Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.

5Q x 2M=10M

1	Mention one exception to the rule of “no consideration, no contract”.	2 Marks	L1	CO1
2	State the legal position of agreements made by persons of unsound mind.	2 Marks	L1	CO1
3	The knowledge of an offer is a prerequisite before it can be accepted. Comment.	2 Marks	L2	CO2
4	Explain the classification of contracts based on the extent of performance.	2 Marks	L2	CO2
5	What is the difference between privity of contract and privity of consideration?	2 Marks	L2	CO2

Part B

Answer the Questions.

Total Marks 40M

6.	A 16-year-old professional gamer signs a sponsorship deal with a gaming company for ₹15 lakhs. He later refuses to perform, arguing that being a minor, the contract is void. The company claims that since the contract relates to his “trade/profession,” it should be binding. Discuss whether the agreement is enforceable. Cite relevant provisions and case laws.	10 Marks	L3	CO 2
----	---	----------	----	------

Or				
7.	<p>M/s Mod Fashions Pvt. Ltd. advertised in several newspapers of their latest invention for colouring grey hair to black by using their medicine 'Modcure' three times a day for 20 days. The company stated that it would pay a reward of Rs. 35,000 to anyone who could prove that the said medicine did not bring the desired result. To show its sincerity, the company deposited a sum of Rs. 35 Lakhs in a nationalized bank. Reena purchased Modcure but despite using it in the prescribed manner for 1 month, found the same to be ineffective.</p> <p>As her counsel, advise Reena whether she can successfully claim the reward of Rs. 35,000 from M/s Mod Fashions Pvt. Ltd. for the ineffectiveness of 'Modcure.' In your answer, discuss with reasons the nature of the company's advertisement, whether it constitutes a valid offer under the Indian Contract Act, 1872, the significance of depositing Rs. 35 lakhs in a nationalized bank, and the enforceability of such promises. Justify your conclusion with relevant case laws.</p>	10 Marks	L2	CO 1

8.	<p>K offers to sell his Maruti-800 to M for Rs. 1,45,000. On 1st October, 1995, M sends a letter accepting the offer. On 3rd October, 1995, M changes his mind and sends a telegram to K. the telegram reaches K in the morning of 4th October, 1995. The same evening, K gets M's letter of acceptance. Discuss whether revocation of acceptance by M is permissible.</p>	10 Marks	L4	CO 2
----	---	----------	----	---------

Or				
9.	<p>A wealthy industrialist, A, executes a registered gift deed transferring farmland to his daughter, B, on the condition that B will pay an annual maintenance allowance of ₹5 lakhs to his widowed sister, C. On the same day, B separately promises C in writing that she will pay the allowance. For the first two years, B makes the payments, but later refuses, arguing:</p> <ol style="list-style-type: none"> 1. C gave no consideration to B, so no enforceable contract exists. 2. Even if A had directed the payment, C is a <i>stranger to the contract</i> between A and B and therefore cannot sue. <p>Meanwhile, A passes away. C brings a suit against B for recovery of the unpaid maintenance.</p> <p>Discuss whether C can succeed, with reference to the doctrine of consideration, privity of contract, and relevant case law.</p>	10 Marks	L3	CO 2

10.	<p>Mrs. Rao, a retired professor, persuaded her daughter, Nisha, who was working in the United States, to return to India and study for the Civil Services Examination. Mrs. Rao promised to provide Nisha with a monthly allowance of ₹50,000 and accommodation in her second house until she cleared the examination. Acting on this promise, Nisha resigned from her lucrative job in the U.S. and moved to India.</p>	10 Marks	L1	CO 2
-----	---	----------	----	---------

	<p>For the first two years, Mrs. Rao regularly paid the allowance and permitted Nisha to live in the house. However, relations between them soured when Nisha failed the exam repeatedly and began renting out portions of the house to her friends to cover her extra expenses. Mrs. Rao objected to this arrangement and eventually asked Nisha to vacate the property, claiming that the promise was never intended to create legal obligations but was merely a family arrangement.</p> <p>Nisha, however, argued that since she gave up her stable career abroad and relied on her mother's promise, a legally enforceable contract exists, and she cannot be evicted until she clears the examination.</p> <p>Question: Advise both Mrs. Rao and Nisha on whether a legally enforceable contract exists under the Indian Contract Act, 1872. In your answer, critically analyze the principles laid down in <i>Jones v. Padavatton</i> (1969) and the relevance of intention to create legal relations in domestic agreements.</p>			
Or				
11.	<p>The State Government announced through newspapers and public posters that a reward of ₹5,00,000 would be paid to any person who provides information leading to the arrest of the notorious criminal "X," who was wanted for multiple murders.</p> <p>Meera, who had been severely assaulted by X in the past, became gravely ill. Believing that she was on her deathbed, she gave a detailed statement to the police exposing X's whereabouts and the crimes he had committed. Her sole motivation was not the reward, but a desire to ease her conscience before death. Acting on this information, the police arrested X within two weeks.</p> <p>Later, when Meera recovered, she claimed the reward. The State Government refused, arguing that since she was not motivated by the reward but by her guilty conscience and fear of death, her disclosure could not amount to acceptance of the offer.</p> <p>Advise Meera on whether she can successfully claim the reward. In your answer, discuss the principles governing general offers, acceptance, and the relevance (or irrelevance) of motive under the Indian Contract Act, 1872.</p>	10 Marks	L3	CO 1
12.	<p>Mr. Sen owned valuable agricultural land but faced urgent debts. He planned to sell part of the land to repay creditors. His son, Arjun, however, persuaded him not to sell, assuring his father that he (Arjun) would pay ₹50 lakhs to his sister, Meera, out of the income generated from the land.</p> <p>Relying on this assurance, Mr. Sen refrained from selling the land. However, after his father's death, Arjun inherited the property but</p>	10 Marks	L2	CO 2

	<p>refused to pay Meera, claiming that there was no enforceable contract between them since she was not a party to the agreement.</p> <p>Meera sued Arjun, asserting that the promise was clearly intended for her benefit and that she should be entitled to enforce it. Arjun argued that under the doctrine of privity of contract, only parties to a contract can sue, and Meera, being a third party, has no locus standi.</p> <p>Complicating matters, Mr. Sen's creditors have now filed a case, arguing that the land should have been sold to repay their debts and that Arjun's promise cannot override their legal rights.</p> <p>Advise Meera, Arjun, and the creditors. In your answer, critically examine whether Meera can enforce Arjun's promise under the Indian Contract Act, 1872, with special reference to the principles of privity of contract and third-party beneficiary rights.</p>			
Or				
13.	<p>Two families, the Sharmas and the Iyers, decided to formalize the marriage of their children, Rahul and Ananya. To celebrate the union, Mr. Sharma (Rahul's father) and Mr. Iyer (Ananya's father) entered into a written agreement that each would pay Rahul ₹10 lakhs after the wedding to help the young couple settle down.</p> <p>Before making the payment, Mr. Sharma passed away. Mr. Iyer, however, failed to contribute his share despite repeated reminders. Rahul then sued Mr. Iyer for the promised amount.</p> <p>Mr. Iyer argued that:</p> <ol style="list-style-type: none"> 1. Rahul was not a party to the contract between the two fathers, and therefore had no right to sue. 2. Rahul had provided no consideration for the promise, and hence the agreement was unenforceable. <p>Meanwhile, Ananya supported Rahul's claim, stating that the promise was clearly intended for their benefit and denying it would cause unjust hardship.</p> <p>Advise Rahul and Ananya on whether Rahul can enforce Mr. Iyer's promise under the Indian Contract Act, 1872, with reference to the doctrines of privity of contract and consideration.</p>	10 Marks	L4	CO 2