Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 12 – 12- 2025 **Time:** 09:30am – 12:30pm

School: SOL	**Program:** BA. LLB., BBA.LLB. (HONS)	
Course Code: LAW2122	**Course Name:** Law of Contract-I	
Semester: I	**Max Marks**: 100	**Weightage**: 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5	CO6	CO7
Marks	6	16	14	14	15	15	20

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks. **10Q x 2M=20M**

1	"All contracts are agreements, but not every agreement qualifies as a contract." Explain.	2 Marks	L1	CO1
2	A sells a car to B, knowing it has a faulty engine, but remains silent. Later, the car breaks down. Has A committed fraud?	2 Marks	L2	CO4
3	Write a short note on wagering agreements under Section 30.	2 Marks	L3	CO4
4	A father promises to give his son ₹1,000 per month as pocket money, but later refuses. Can the son sue his father?	2 Marks	L4	CO1
5	Explain briefly the revocation of an offer under the Indian Contract Act.	2 Marks	L5	CO2
6	Differentiate between actual and anticipatory breach.	2 Marks	L2	CO1
7	Discuss the Doctrine of Privity of Contract with relevant case law.	2 Marks	L1	CO2
8	Explain the doctrine of frustration with cases.	2 Marks	L1	CO2
9	Aman and Ravi agree that if it rains on Sunday, Aman will pay ₹1,000 to Ravi, and if it does not rain, Ravi will pay ₹1,000 to Aman. Later, when it rains, Ravi refuses to pay. Aman sues him for the recovery of money. Will Aman succeed? Give reasons.	2 Marks	L4	CO1
10	Explain agreements in restraint of trade under Section 27.	2 Marks	L2	CO4

Part B

Answer the Questions **Total 80 Marks**

11.	**a.**	A offered to buy his nephew's horse for ₹50, writing in his letter, "If I do not hear from you, I shall consider the horse mine at ₹50." The nephew intended to sell the horse to his uncle, but did not reply to the letter. Later, the horse was mistakenly sold by an auctioneer to someone else. The uncle sued the auctioneer for selling his horse. Was there a valid contract between the uncle and the nephew? Explain with reference to the principle laid down in Felthouse v. Bindley (1862).	**10 Marks**	**L3**	**CO5**

or

12.	**a.**	A's nephew went missing. A announced that he would reward ₹500 to anyone who found and brought the boy home. B, A's servant, found the boy and brought him back without knowing about the announcement. Later, on learning about the reward, B demanded the payment from A. Is B entitled to claim the reward? Explain with reference to Lalman Shukla v. Gauri Dutt (1913) and the principles of valid acceptance	**10 Marks**	**L4**	**CO6**

13.	**a.**	A, a 17-year-old boy, borrowed ₹20,000 from B, a moneylender, by mortgaging his property as security for repayment. Later, A refused to repay the money, claiming he was a minor at the time of the agreement. B files a suit to recover the loan amount. Can B recover the money from A?	**5+5 Marks**	**L3**	**CO7**
	b.	Discuss with reference to the principle laid down in Mohori Bibee v. Dharmodas Ghose (1903).			

or

14.	**a.**	A owns a cargo shipping company. He agrees with B, an insurance firm, stating that if A's ship "Ocean Star" safely returns from Singapore, B will pay him ₹10 lakh as insurance proceeds. Before the ship's return, it sinks due to a storm. Later, A claims the amount from B, arguing that he had paid the premium and that the event was merely uncertain, not impossible. Analyze whether A is entitled to recover the insurance money from B. Discuss your answer with reference to Sections 31–36 of the Indian Contract Act, 1872.	**6+4 Marks**	**L4**	**CO4**

15.	**a.**	A, a professional singer, entered into an agreement with B, the manager of a theatre, to perform two nights each week for the next two months. B agreed to pay her ₹100 for every performance. On the	**4+6 Marks**	**L3**	**CO2**

		sixth night, A deliberately failed to perform. However, with B's consent, A resumed singing on the seventh night. Later, B attempted to terminate the contract, claiming breach by A. Can B terminate the contract on account of A's failure to perform on the sixth night?			
	b.	Analyse A's and B's rights in this situation under the Indian Contract Act, 1872.			

Or

16.	**a.**	A entered into a contract with a wholesaler for supply of crackers to be sold in Delhi, before Diwali. Before the consignment arrived, the Hon'ble Supreme Court imposed a ban on the sale of crackers in Delhi. A refuses to take delivery of crackers and asks for a refund of the money deposited. Decide with the help of legal provisions and relevant cases.	**10 Marks**	**L4**	**CO3**

17.	**a.**	Ramesh, a milk supplier, used to deliver milk every morning to Flat No. 203 in Green Residency. Due to a clerical error, his assistant mistakenly delivered milk for an entire month to Flat No. 204, occupied by Suresh, who consumed it regularly without informing Ramesh. Later, Ramesh demanded payment for the milk supplied, but Suresh refused, claiming there was no contract between them. Is Suresh legally bound to pay Ramesh for the milk consumed?	**10+5 Marks**	**L4**	**CO5**
	b.	Discuss with reference to the principle of **quasi-contracts** under the Indian Contract Act, 1872, and support your answer with relevant case law.			

Or

18.	**a.**	A entered into a contract with B to lease out his banquet hall for a period of six months for hosting weekend events. Two months later, a government order-imposed restrictions on public gatherings due to the pandemic, making it illegal to hold such events. B refused to pay the remaining lease amount, arguing that the contract had become impossible to perform. A sued B for breach of contract. Analyse whether B is liable to pay the remaining lease amount.	**10+5 Marks**	**L3**	**CO6**
	b.	Discuss your answer in the light of the **Doctrine of Frustration** under **Section 56** of the Indian Contract Act, 1872, and relevant case law.			

19.	**a.**	Ravi, a professional dancer, entered into an agreement with another dancer, Neha, stating that she would not perform at any event or show in Delhi for the next two years after leaving his troupe. A few months later, Neha joined a different dance company in Delhi. Ravi	**10+5 Marks**	**L5**	**CO7**

		sued her for violating the agreement and claimed damages for breach of contract. Analyse whether the agreement between Ravi and Neha is valid and enforceable. Support your answer with reference to Sections 26–30 of the Indian Contract Act, 1872 and relevant case law.			

Or

20.	**a.**	Ravi's brother was arrested on suspicion of theft. To secure his brother's release, the police officer demanded that Ravi sign a sale deed transferring his land to the officer's friend, Sanjay. Fearing for his brother's safety, Ravi signed the document. Later, Ravi filed a case to cancel the sale deed, claiming that his consent was not free. Analyse whether Ravi's consent was obtained through coercion.	**10+5 Marks**	**L4**	**CO5**
	b.	Can the contract be set aside under the Indian Contract Act, 1872? Support your answer with relevant case law.			

21.	**a.**	Kavita, a student, takes a loan from her professor, Dr. Ramesh, agreeing to pay exorbitant interest rates. Kavita claims that she signed the agreement under undue influence, as Dr. Ramesh threatened to withhold her grades if she refused. Discuss the legal validity of the contract and the remedies available to Kavita.	**10+4+6 Marks**	**L4** **L1**	**CO4**
	b.	Explain the impact of undue influence on the validity of a contract.			
	c.	How does the Indian Contract Act, 1872, balance the need for fairness with the principle of contractual autonomy?			

Or

22.	**a.**	Amrita, an antique car collector, contracts to sell her rare vintage car to Raj for ₹50 lakhs. Raj convinces Amrita to enter the agreement by claiming that he is a passionate collector of vintage cars and that the car would be a highlight of his collection. In reality, Raj has no interest in vintage cars and plans to resell the car at a much higher price to a third party. After signing the agreement but before transferring the car, Amrita discovers Raj's intention and refuses to proceed with the sale, claiming that the contract is voidable on grounds of fraud. Raj, however, argues that his purpose for purchasing the car is irrelevant, as the price and terms were mutually agreed upon. Analyse the legal position of both parties under the Indian Contract Act, 1872.	**10+5 Marks**	**L4** **L2**	**CO2**
	b.	Discuss whether Amrita can refuse to perform her obligation, and if Raj has any remedies available to him.			