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PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 13/03/2026

Time: 02:00 PM - 03:30 PM

Course Code: LAW2025

Course Name: Law of Contract II

Semester: Second Semester

Max. Marks: 50

Weightage: 50%

| CO - Levels | CO1 | CO2 | CO3 |
|-------------|-----|-----|-----|
| Marks | 28 | 142 | 10 |

PART-A: Answer Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|--|---|-----|-----|
| 1 | Explain the "Contract of Indemnity" under Indian Contract Act, 1872 ? | 2 | CO1 | BT1 |
| 2 | Briefly discuss the "Contract of Guarantee" ? Explain the term "Principal debtor", "Surety" and "Creditor" given under Indian Contract Act 1872? | 2 | CO2 | BT2 |
| 3 | Explain contract of "bailment" and define "Bailor" & "Bailee" under Indian Contract act, 1872 ? | 2 | CO2 | BT1 |
| 4 | "The liability of surety is co-extensive with that of principal debtor". Analyse the given statement with reference to the liability of Surety and Principal debtor. | 2 | CO2 | BT4 |
| 5 | Discuss the term "Continuing Guarantee" under the Indian Contract Act 1872 ? Under what circumstances the Continuing guarantee can be revoked ? | 2 | CO2 | BT2 |

PART-B: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|--|----|-----|-----|
| 6 | Explain the "Contract of bailment" and the Rights of the Bailor and Duties of the Bailor with respect to the goods bailed ? Illustrate with suitable examples. | 10 | CO2 | BT1 |
| 7 | Asha who owns certain gold ornaments which she wanted to get reconverted into a new jewellery. She approached Pasha, a renowned goldsmith, whom she entrusted her old gold | 10 | CO2 | BT3 |

ornaments for the purpose of melting and getting them converted into a new jewellery. The work was carried by pasha on a daily basis in his shop.

During the course of the work, the partially finished jewellery were kept every evening in a wooden box that has been placed inside a room in his shop belonging to goldsmith Pasha. The key of the said wooden box remained with the Asha, who used to visit Pasha house daily to supervise the work.

One morning, when Asha went to Pasha house and opened the wooden box, she found that the jewellery is missing from the box. Subsequently Asha filed a SUIT against Pasha, alleging that since Pasha is a bailee and is therefore liable for the loss of the jewellery from the wooden box.

In the light of principles that has been laid down in the case of Kaliaperumal Pillai vs. Visalakshi AIR 1938 Mad 32, Decide whether Pasha can be held liable as a bailee under the Indian Contract act 1872.

PART-C: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|--------------|---|----------|-----------|-----------|
| 8 | Explain the "Rights of the Bailee" and the "Duties of bailee" ? Illustrate with suitable examples. | 10 | CO2 | BT1 |
| 9 | <p>Ramesh, a dealer in antique, was transporting the antiques when his vehicle was seized by the government custom department on the charges of illegal export. The seizure was done as per the relevant laws by the Custom department. Ramesh aggrieved by the confiscation preferred an appeal to the Court.</p> <p>During the pendency of the appeal the seized vehicle along with the valuable antiques was kept in open government yard. No special measures has been taken for the preservation of the antiques and they have been left uncared. During the pendency of the appeal in the Court the antiques got stolen.</p> <p>Subsequently the Court allowed the appeal and ordered the return of the goods to the Ramesh. Since the goods were already stolen they could not to returned to ramesh.</p> <p>Ramesh instituted a suit against the State claiming compensation, arguing that the state stood in position of a</p> | 10 | CO2 | BT3 |

bailee and has failed to take reasonable care for the preservation of the antiques.

The state opposed the claim on the ground that there was no contract of bailment and that loss occurred in the discharge of the sovereign functions.

In the Light of the principles laid down in the case of State of Gujarat vs. Memon Mohd AIR 1967 SC 1885, Whether the State can be held liable as a bailee and consequently liable to pay compensation to Ramesh ?

PART-D: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|--------------|---|----------|-----------|-----------|
| 10 | Explain and distinguish between Contract of Indemnity and contract Guarantee ? | 10 | CO1 | BT2 |
| 11 | <p>Rohit is a licensed art auctioneer based in Delhi. Mohit approaches for the Auction of an antique art sculpture. Rohit acting in good and in the ordinary course of business, carries out the auction and sold the antique art sculpture and transfer the possession of it to the highest bidder.</p> <p>After 10 days, Manu approaches civil court and files a suit against Rohit claiming that the antique art sculpture belong to him and that Rohit does not have any authority or title over the antique art sculpture.</p> <p>Court holds Rohit liable and direct him to pay damages to manu along with the Litigation cost. Rohit complied with the Court order and pays the amount to Manu. Later Rohit files a suit against Mohit seeking indemnification for the amount paid as damages and expenses incurred.</p> <p>In the light of principles laid down in the case of Adamson vs. Jarvis 1827 & Section 124 and Section 125 of the Indian contract act, determine whether rohit can recover damages and costs from Mohit</p> | 10 | CO1 | BT3 |

PART-E: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|--------------|---|----------|-----------|-----------|
| 12 | <i>“Lien in its primary sense a right in one man to retain that</i> | 10 | CO2 | BT4 |

which is in his possession belonging to another until certain demand of the person in possession are satisfied” In light of the above statement explain in brief the term lien and in detail the Bailee’s right of General lien and Particular lien ?

13

Explain the rights of the surety, "Against the Principal Debtor" and "Against the co - surety" under Indian Contract act 1872?

10

CO2

BT1