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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF LAW

MID TERM EXAMINATION

Winter Semester: 2021 - 22

Course Code: LAW2022

Course Name: GENERAL PRINCIPLES OF CONTRACT

Program & Sem: LLB & 2ND SEMESTER

Date: 13-May-2022

Time: 1:30 PM – 3 PM

Max Marks: 50

Weightage: 25%

Instructions:

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

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries ONE mark.

(10Qx1M= 20M)

1. When an acceptance may be revoked:

- An acceptance may be revoked at any time before the communication of the acceptance is complete as against the proposer, but not afterwards.
- An acceptance may be revoked at any time before the communication of the acceptance is complete as against the acceptor, but not afterwards.
- An acceptance may be revoked at any time before the communication of the acceptance is incomplete as against the acceptor, but not afterwards.
- An acceptance may be revoked at any time after the communication of the acceptance is complete as against the acceptor, but not afterwards.

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

2. The Indian Contract Act,1872 which was enacted on 25 April, 1872 came into force with effect from:

- 1st May, 1872
- 1st November, 1872
- 1st October, 1872
- 1st September, 1872

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

3. Contract is defined as an agreement enforceable by law, vide Section ... of the Indian Contract Act.

- Section 2(b)
- Section 2(f)
- Section 2(h)
- Section 2(c)

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

4. As per section 2(e) of the Indian Contract Act, “Every Promise and every set of promise forming the consideration for each other is a/an

- Agreement
- Contract
- Offer
- Acceptance

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

5. **A invites B for his son's wedding. B accepts the invitation. In this case, there is an agreement but no contract because** (C.O.No.1) [Knowledge]
- a. There is no consideration.
 - b. There is no intention to create legal relationship.
 - c. There is no written document.
 - d. There is no formal acceptance of the offer

6. **Consensus Ad Idem means** _____ (C.O.No.1) [Knowledge]

7. **Quid Pro Quo means** _____ (C.O.No.2) [Knowledge]

8. **Right in Personam means** _____ (C.O.No.1) [Knowledge]

9. **Res Ipsa Loquitur means** _____ (C.O.No.2) [Knowledge]

10. **Sub Silentio means** _____ (C.O.No.1) [Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries 10 marks. (2Qx10M=20M)

11 "A contract cannot be enforced by a person who is not a party to it even though it is made for his benefit. He is a 'stranger to the contract' and can claim no right under it. This is known as the doctrine of Privity of Contract. In 1861, the general rule of "Privity of contract" was enunciated in a case Tweddle v. Atkinson (30 LJ QB 218) and was adopted by the House of Lords in various cases and which subsequently came to be known as The Doctrine of Privity of Contract – which means:

"A contract is a contract between the parties only and no 3rd person (stranger) can sue upon it even if it is avowedly made for his benefit".

The rule of Privity of Contract has taken firm roots in the English Common Law and was adopted by the House of Lords but has been generally criticized. In 1937, the Law Revision Committee under the Chairmanship of Lord WRIGHT criticized the doctrine and recommend its abolition. Lord Denning has also criticized the rule in a number of cases, he observed:

"where a contract is made for the benefit of a third person who has a legitimate interest to enforce it, can be enforced by the third person in the name of the contracting party or jointly with him or, if he refuses to join by adding him as a defendant... because the 3rd person has an interest which the law should protect." (C.O.No.2) [Comprehension]

12. Intention to create legal relations is a motion of every contracting party must have the necessary intention to enter into a legally binding contract. Evaluate the above statement and compare the judicial perspectives in Balfour v. Balfour to the trend observed in Meritt v. Meritt.

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

Part C [Problem Solving Questions]

Answer the Question. Question carries TWENTY mark.

(1Qx20M=20M)

13 Titu was the respondent in this case. He was a minor and he was the sole owner of his immovable property. The mother of Titu was authorized as his legal custodian by Calcutta High court. He mortgaged his own immovable property which was done in the favor of appellant i.e. Sweety Singh, he was a minor and secured this mortgage deed for Rs. 20,000 at 12% interest rate as per year. Sweety Singh who was a money lender at that time and he secured a loan or amount of Rs. 20,000, and the management of his business was in the control of Ghasitaram and Ghasitaram acted as the attorney of Sweety Singh. Titu's mother sent a notification to Sweety Singh informing him about the minority of Titu on the date on which such mortgage deed was commenced, but the proportion or the sum of loan that was actually provided was less than Rs. 20,000. The representative of the defendant, who actually acted instead of on behalf of money lender has given money to the plaintiff, who was a minor and he fully had knowledge about the incompetency of the plaintiff to perform or enter into contract and also that he was incompetent legally to mortgage his property which belonged to him. On 10th September 1895 Titu along with his mother brought a legal action against Sweety Singh by saying that the mortgage that was executed by Titu was commenced when he was a minor or infant and so such mortgage was void and disproportionate or improper and as a result of which such contract should be revoked. Advance your Arguments from both the sides. (C.O.No.2) [Application]



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SCHOOL OF LAW

END TERM EXAMINATION

Winter Semester: 2021 - 22

Course Code: LAW 2022

Course Name: GENERAL PRINCIPLES OF CONTRACT

Program & Sem: LLB & 2ND SEMESTER

Date: 1st July 2022

Time: 01:00 PM to 04:00 PM

Max Marks: 80

Weightage: 50%

Instructions:

- (ii) Read the all questions carefully and answer accordingly.
 (iii) Each question in Part A carries total marks, mentioned in the question itself.
 (iv) Each blank in the Part A carries 1 mark.

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries TWO marks each and question 6 carries 10 Marks. (10Qx 2M= 20 Marks)

- The primary aim of damages is to compensate the aggrieved party for;
 - Loss to the property or persona
 - Loss to public
 - Loss to Company
 - Only (a) (C.O.No.4) [Knowledge]
- Alan, Phil and Stu jointly promise to pay Mr. Chow the sum of 3,000 rupees. Stu is compelled to pay the whole. Alan is insolvent, but his assets are sufficient to pay one-half of his debts. Stu is entitled to receive _____ rupees from Alan's estate, and _____ rupees from Phil. (C.O.No.4) [Application]
- Pushpa agrees to sell to Bahubali red sandalwood for rupees five hundred or rupees one thousand. There is nothing to show which of the two prices was to be given. The agreement is _____ for _____. (C.O.No.4) [Knowledge]
- When a thing which is commonly the subject of sale is lost, if the owner cannot with reasonable diligence be found, or if he refuses, upon demand, to pay the lawful charges of the finder, the finder may _____ it, when the thing is in danger of perishing or of losing the greater part of its value. (C.O.No.4)[Knowledge]
- Lumley V Wagner , A a singer , agreed that she would sing for 12 months at B's theatre and that she would not sing elsewhere in the public during that period. Here B cannot obtained specific performance of the first part of the contract (i.e. to sing at his theatre), but he is entitled to an injunction, restraining A from singing at other public places during that period. The case falls under negative covenant or positive covenant? (C.O.No.4)[Knowledge]
- A contingent contract is a contract to do or not to do something, if some event, _____ to such contract, does or does not happen. Contingent contracts to do or not to do anything if an _____ future event happens cannot be enforced by law unless and until that event has happened and if the event becomes impossible, such contracts become _____ contract Contingent contracts to do or not to do anything if an uncertain future event does not happen can be enforced when the happening of that event becomes _____, and not before. Contingent contracts to do or not to do anything if a specified uncertain event happens within a fixed time become void if, at the expiration of the time

fixed, such event has not happened, or if, before the time fixed, such event becomes impossible. Contingent contracts to do or not to do anything, if a specified uncertain event does not happen within a fixed time may be _____ by law when the time fixed has expired and such event has not happened or, before the time fixed has expired, if it becomes certain that such event will not happen.

Note: Fill in the blanks (*Each blank carries 2 marks each*) by choosing from the following: **Enforced, Uncertain, Valid, Void, Voidable, Collateral, and Impossible.**

(C.O.No.4)[Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries TEN marks.

(4Qx10M=40M)

7. The Specific Relief Act, 1963 is to protect and enforce primary rights of parties. In Civil Law, legal remedies are for enforcing primary rights or for enforcing secondary rights. When there is a breach of contract, if the court orders specific performance in favor of innocent party, this is in nature of enforcement of a primary rights. If court orders for payment of compensation against damage this is enforcement of secondary rights of parties.

Comment by discussing various types of injunctions under SRA, 1963.

(C.O.No.5) [Comprehension]

Q.7. If an obligation similar to what was created in the contract has not been discharged, any person who fails to discharge is entitled to receive the same compensation from the party in default as if that person had contracted to discharge it and had broken his contract. Explain different types of compensation with the help of cases and illustrations.

(C.O.No.5) [Comprehension]

Q.8. Holding a claim under quantum meruit as only a restitutionary claim and not a contractual one is a deviation from the evolved contractual laws across the globe and the hon'ble Supreme Court here has missed the opportunity to bring the claims in quantum meruit where there is already a stipulation of liquidated damages in a contract. Elaborate.

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

Q.9. "*When there is a disability whereby a party is precluded from alleging or proving in legal proceedings, that a fact is otherwise than it has been made to appear by the matter giving rise to that disability.*"

Highlight the relevance of principle of Estoppel with the help of decided cases.

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

Part C [Problem Solving Questions]

Answer both the Questions. Question carries TWENTY marks.

(2Qx20M=20M)

Q10. Groot, after retiring from being a guardian of galaxy, joined the 'NO TECH movement in July 2018. The members of the movement are strongly opposed to the use of digital technology. The majority of members live in the village of Asgard, as he is a very close friend of Thor.

Groot will be moving to Asgard at the end of 2014. Therefore, he will no longer need his spaceship, a five year old olkswagen. He places an advertisement on the notice board of his local newsagent.

'FOR SALE'- Volkswagen ship in excellent condition. Will be sold to the first person who sends notice in writing that they wish to buy it for £3,000 to the following address: I AM GROOT 53, House of Asgard.

On Sunday evening, Star-Lord, a newly qualified driver, posts a letter stating that he wants to buy Groot's spaceship on Wednesday morning.

On Monday morning Drax, Groot's acquaintance, passes the news agent's on her way to work. She sees the advertisement and recognises the address. On her arrival at work, she sends Groot an email to the email address that he provided her with when they first met, two years ago, stating that she is willing to pay £3,000 for the car. Groot never receives the email, since as a member of the 'NO TECH' movement he no longer uses computers or mobile phones.

On Tuesday evening Groot meets his old friend Rocket Raccoon for dinner and over the course of the meal, Groot promises to sell the car to Rocket Raccoon for £2,500.

Analyse the validity of Contracts concluded between Groot and Rocket Raccoon. Aggrieved Star-Lord and Drax went to court against Groot. (C.O.No.1) [Application]

Q.11. Superman operated a mill in the City of Gotham, which they were forced to shut down when the crank shaft of their steam engine broke. They contacted the manufacturer of the engine, Wayne Enterprises (Wayne), and Wayne agreed to make a new shaft from the pattern of the old one. Therefore, a servant of Superman went to the office of Batman, common carriers, to have the crank shaft taken to Superman's Pal. Superman's servant told Batman's clerk that the mill was shut down and the shaft must be sent immediately. The clerk informed Superman's servant that if the shaft were given to them by twelve o'clock any day, it would be delivered by the next day. Superman took the shaft to Batman the next day before noon. Due to Batman's neglect, the delivery to Superman's Pal was delayed, and Superman did not receive the new shaft for several days after they should have received it. So, Superman reached to court of Law against Batman alleging him to be liable for breach of contract and damages because of lost profits, under the provisions of Indian Contract Act, 1872. Justify the claims made by the Superman and the defense by the Batman.

(C.O.No.6) [Application]