



PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF LAW

Max Marks: 100

Max Time: 180 Mins.

Weightage: 40 %

Set A

COMPREHENSIVE EXAMINATION

I Semester 2016-2017

Course: BL A 109: Law of Contracts- I

17th January 2017

Instructions:

- i. Read the questions and instructions carefully
- ii. Answer all the questions.
- iii. Write neatly.
- iv. Ensure that the answers are properly numbered according to the questions.

Part A

Answer the following questions

(10 Q x 2 marks = 20 Marks)

1. A proposes, by letter, to sell a house to B at a certain price. When is the communication of proposal said to be complete?
2. A applies to a banker for a loan at a time when there is stringency in the money market. The banker declines to make the loan except at an unusually high rate of interest. A accepts the loan on these terms. State whether the banker has employed undue influence or not?
3. A and B, being traders, enter upon a contract. A has private information of a change in prices which would affect B's willingness to proceed with the contract. Whether the silence amounted to fraud?
4. A is entitled to succeed to an estate at the death of B; B dies: C, having received intelligence of B's death, prevents the intelligence reaching A, and thus induces A to sell him his interest in the estate. State whether the contract is valid, void or voidable.
5. A agrees to buy from B a certain horse. It turns out that the horse was dead at the time of the bargain, though neither party was aware of the fact. State whether the contract is valid, void or voidable.
6. A promises B to drop a prosecution which he has instituted against B for robbery, and B promises to restore the value of the things taken. State whether the object of the contract is lawful?
7. A, for natural love and affection, promises to give his son, B, Rs. 1,000. A puts his promise to B into writing and registers it. Is this a contract?
8. A agrees to sell B "a hundred tons of oil". There is nothing whatever to show what kind of oil was intended. Is the agreement valid?
9. A, promises to paint a picture for B by a certain day, at a certain price. A dies before the day. State whether the contract can be enforced by B.
10. A, a singer, enters into a contract with B, the manager of a theatre, to sing at his theatre two nights in every week during next two months, and B engages to pay her 100 rupees for each night's performance. On the sixth night A willfully absents herself from the theatre. Can B put an end to the contract?

An enquiry on the basis of the complaint was conducted. During the enquiry, notices were issued to the Petitioners but they did not appear before the Investigating Officer, therefore, their statements could not be recorded. The Investigating Officers recorded the statements of Ramvilas Sharma, Amol Singh Lodhi, Bharat Singh Lodhi, Kamal Singh Lodhi, Mobat Singh Lodhi, Sodan Singh Lodhi, Vinod Kumar Jain, Kashi Bai Lodhi, Notary H.A. Jilani, Storekeeper R.B. Soni. After enquiry it was found that the petitioners had entered into an agreement to sell certain lands of which the Petitioners were neither the title holder nor there was any agreement in their favour to acquire the property. Thus, a F.I.R. was lodged by the police against the Petitioners for offences punishable under Sections 420,467,471 of I.P.C (See Annexure- I). The Police after completing the investigation filed the charge sheet against the Petitioners for offences punishable under Sections 420,467,471 of I.P.C. The Trial Court framed charges under Sections 420,467,471 of I.P.C.

Being aggrieved by the order framing charges, Petition under Section 482 of Cr.P.C. has been filed to quash the criminal proceedings. It is submitted by the Counsel for the Petitioners, that even if the entire allegations are considered, then it would be a case of Civil in nature and the complainant has an alternative and efficacious remedy of filing the suit for specific performance of Contract and in order to adopt a short cut, a complaint was made by the complainant. It is further submitted that the parties have compromised their dispute and an application I.A. No. 10828/2016 has been filed for quashing of the proceedings on the basis of the compromise.

Per contra, the Counsel for the State submitted that the fact that in the agreement to sell, the Petitioners had included even those lands which are owned by others would clearly means that the intention of the Petitioners from the very inception was to cheat the complainant, otherwise, the Petitioners would not have included the lands which belong to others.

- I. Whether there was a breach of contract by the petitioners? (5 Marks)
- II. Whether the complainant has an efficacious remedy under the law of contract? (10Marks)
- III. Whether a criminal proceeding possible from a breach of contract? (5 Marks)

Annexure-I

RELEVANT PROVISIONS OF THE INDIAN PENAL CODE, 1860

Section 420 in The Indian Penal Code

420. Cheating and dishonestly inducing delivery of property.—Whoever cheats and thereby dishonestly induces the person deceived to deliver any property to any person, or to make, alter or destroy the whole or any part of a valuable security, or anything which is signed or sealed, and which is capable of being converted into a valuable security, shall be punished with imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine.

Section 467 in The Indian Penal Code

467. Forgery of valuable security, will, etc.—Whoever forges a document which purports to be a valuable security or a will, or an authority to adopt a son, or which purports to give authority to any person to make or transfer any valuable security, or to receive the principal, interest or dividends thereon, or to receive or deliver any money, movable property, or valuable security, or any document purporting to be an acquittance or receipt acknowledging the payment of money, or an acquittance or receipt for the delivery of any movable property or valuable security, shall be punished with 1[imprisonment for life], or with imprisonment of either description for a term which may extend to ten years, and shall also be liable to fine.

Section 471 in The Indian Penal Code

471. Using as genuine a forged 1[document or electronic record].—Whoever fraudulently or dishonestly uses as genuine any 1[document or electronic record] which he knows or has reason to believe to be a forged 1[document or electronic record], shall be punished in the same manner as if he had forged such 1[document or electronic record].