



PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF LAW

Max Marks: 100

Max Time: 180 Mins

Weightage: 40%

Set B

COMPREHENSIVE EXAMINATION

I Semester 2016-2017

Course: BL A 203 Law of Contract-II

10 December 2016

Instructions:

- i. Read the Instructions and questions 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 questions.

(10 Q x 2 Marks = 20 Marks)

1. Define Contract of Bailment
2. Define Contract of Indemnity
3. Define Pledge
4. What are 'Goods' under the Sale of Goods Act, 1930?
5. What are Warranties?
6. Who is a Bailee?
7. Who is a Dormant Partner?
8. Who is a Principal Debtor?
9. Who may be an Agent?
10. Who is Pawnor?

Part B

Answer the following questions.

(8 Q x 5 Marks = 40 Marks)

1. What are the essential characteristics of a Contract of Guarantee?
2. Examine the relationship of principal with third parties under a Contract of Agency.
3. What are the rights of partners?
4. Examine the relation of partners with third parties.
5. Examine the rights and liabilities of a minor as partner?
6. What do you understand by 'goods sent on approval or "on sale or return"'?
7. When does an agent become personally liable for his acts?
8. Discuss how a surety is discharged from his liability?

Part C

Answer the following questions

(4 Q x 10 Marks = 40 Marks)

1. Critically examine the rights and duties of seller before and after sale.
2. "The fundamental rules and basic principles of contract are sometimes ignored in a Contract of Agency". Critically examine.

Read the following facts and answer the questions that follow

K.M.Raju and K.M.Parvathamma were the partners of M/s.AMC. They have admitted new partners Ravi and Raghu (Accused Nos.1 and 2 respectively) as partners of M/s.AMC on 31-7-2016 by way of admission deed. After their admission to the partnership, the next day itself previous partners Smt.Parvathamma and Sri.K.M.Raju retired from partnership. Accused Nos.1 and 2 took over liabilities, assets and leasehold rights of the firm which included a mining lease No.2434 of M/s.AMC.

The allegation of the prosecution is that the accused persons being the partners of M/s.AMC (A1 & A2), Director of Mines and Geology (A3), Deputy Conservator of Forest, Bellary (A4), Personal Assistant to A1 (A5), Deputy Director of Mines and Geology (A6), another private person (A7) and Range Forest Officer, Sandur (A8), conspired to commit theft of the Government properties i.e., mineral ore, thus cheated the government; they trespassed into the forest area and other areas of the Bellary District, carried out illegal mining and transported stolen iron by using the permit of M/s.AMC and sold the same for gain after taking over M/s.AMC from its earlier partners. Thus, they committed criminal conspiracy, theft, cheating, criminal breach of trust, criminal trespass, forged the documents as genuine documents. They indulged in falsification of accounts and criminal misconduct, etc.

3. Prepare arguments on behalf of the prosecution, contending that, the accused persons (A1 and A2) made unauthorized use of the license issued for M/s.AMC, resulting in the above mentioned crimes.
4. Prepare arguments on behalf of the accused (A1 & A2), contending that, they are authorized to use the license issued for M/s.AMC as partners and thus their act does not result in any of the above mentioned offences.



PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF MANAGEMENT

Max Marks: 80

Max Time: 2 Hours

Weightage: 20 %

Set A

MID TERM EXAMINATION

I Semester 2016-2017

Course: BL A 203: Law of Contract- II

04 October 2016

Instructions:

- i. Provide numbering according to the question paper.
- ii. Support your answers with case laws and reasoning when needed.

Part A

Consider the following situations and identify the type of contract. (2 Marks each.)

1. A promises to save B from the loss caused to him from the consequences of any proceedings which C may take against B in respect of a certain sum of Rs. 10,000.
2. A promises to save B from the loss caused to him from fire accident if occurred at his business premises.
3. A gives his mobile phone to B for making a call to B's friend.
4. C borrows a certain sum of Rs. 10,000 from B and A promises B to pay the same if C fails to pay.
5. A borrows a certain sum of Rs. 10,000 from B and deposits some gold jewellery as security for the debt.

Describe the following parties of a contract in a sentence or two (2 Marks each.)

6. Bailee
7. Pawnee
8. Indemnifier
9. Surety
10. Principal Debtor

Part B

Answer the following questions. (6Qx5 Marks = 30 Marks)

11. Distinguish between contract of Indemnity and contract of Guarantee
12. Enumerate various rights of the surety against the Principal Debtor.
13. What is a continuing guarantee? How a continuing guarantee can be revoked?
14. Explain how a gratuitous bailment different from non-gratuitous bailment?
15. What do you understand by 'bailee's Right to lien'?
16. What is pledge? Who are the parties in a contract of pledge?

Part C

Answer the following questions. (2Qx15 Marks = 30 Marks)

17. "It is not the common law nor the statute, but the equity which has saved the indemnified from the harshness of the technicalities of law in a situation when the liability of the indemnified has become absolute." Critically examine the scope of section 125 of the Indian Contract Act, 1872 and various rights conferred under it to the indemnified.

18. **Decide the following case.**

A firm doing business in Bombay entrusted goods worth Rs.35500 with the Railway for delivery in Delhi. The goods were consigned to "self" and the firm endorsed the railway receipts (proof of consignments) to a Bank against an advance of Rs. 20,000 made by the Bank to the firm. The firm also executed a promissory note in favour of the Bank for that amount. When the goods reached the destination, the Bank refused to take delivery, on the ground that they were not the goods consigned by the firm. The Bank, thereafter filed a suit for the recovery of the value of the goods against the Railway. Railway denied the claims of the bank stating that they are not the bailor and since the direction on the railway receipt is to deliver it to 'self' cannot make a claim. Bank has argued that they are the pawnee and they have a valid claim on the goods.

ISSUE:

Can an owner of goods make a valid pledge of them by transferring the railway receipt representing the said goods? What value such a document carry for this purpose?