



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF LAW
MID TERM EXAMINATION - APR 2023**

Semester : Semester II - 2022

Course Code : LAW2025

Course Name : Sem II - LAW2025 - Law of Contracts-II

Program : BBL,BAL,BCL

Date : 13-APR-2023

Time : 09:30AM - 11:00AM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 1 part.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

ANSWER ALL THE QUESTIONS

(5 X 10 = 50M)

1. Answer the following;
 - a) What is Contract of Guarantee? How is it different from contract of indemnity?
 - b) In a case principal creditor gave a loan of 10000 on the guarantee of surety to a principal debtor, who was a minor at the time of contract. Elaborate upon the legal position of this Contract of Guarantee?
(CO1,CO2) [Comprehension]
2. Answer the following;
 - a) What is bailment?
 - b) Are the things kept in a banker locker for safe keeping forms a contract of bailment?
 - c) Does despoiting money in a bank account a kind of bailment?
 - d) A hires a car from B for his trip from Delhi to Manali. The car's engine was not in proper shape about which B was unaware. The car breaks down in the middle of the journey. Elaborate upon the liability of B towards to A.
 - e) A lends his car to B for his driving only. B give the car to his brother C for driving. C while driving the car on a one-way road meets an accident because the other driver was coming from the wrong side. C is not at fault for the accident. Will B and C be laible for accident?
(CO1,CO2) [Comprehension]
3. Pledge is a form of bailment that can only be created by the owner of the goods. Comment on the statement while explaining the concept of Pledge and the parties involved in a contract of pledge.
(CO1,CO2) [Comprehension]
4. What are the provisions related to liability of a surety under Indian Contract Act, 1877?
(CO1,CO2) [Comprehension]
5. M advances to N 5,000 on the guarantee of P. The loan carries interest at ten percent per annum. Subsequently, N becomes financially embarrassed. On N's request, M reduces the interest to six per cent per annum and does not sue N for one year after the loan becomes due. N becomes insolvent. Can M sue P?
(CO1,CO2) [Application]

