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PRESIDENCY UNIVERSITY BENGALURU

SCHOOL OF LAW MID TERM EXAMINATION - MAY 2023

Semester : Semester II - 2022 -23 - BAL - 2022

Course Code : LAW2025

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

Program : BA LLB Honors

Date : 18-MAY-2023

Time : 2.00 PM - 3.30 PM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (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) In simple terms indemnity is making good of a loss suffered by someone but can a claim of indemnity exist even when the actual damage has not been incurred?
 b) What are the rights of an indemnity holder?

(CO2,CO1) [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 depositing 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. **B handed her jewellery to M to value it and tell her what advance he could make on them, it being agreed that M was to keep the jewellery as security if he made the advance. On the same day M pledged the jewellery with A, a pawnbroker, who advanced £1,000 in good faith. Four days later M advanced £500 to B on the security of her jewellery. Subsequently on coming to know of the transaction between M and A, B paid the amount she had borrowed and sued for the recovery of her jewellery contending that when M advanced the money, no valid pledge could arise as there was no delivery of goods in pursuance of the contract of pledge and M had already parted with the possession of the goods by pledging them with A. Will B succeed? Give reasons.**

(CO1,CO2) [Application]

4. What are the provisions related to liability of a surety under Indian Contract Act, 1872?

(CO1,CO2) [Comprehension]

5. 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]