

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET-A

**SCHOOL OF LAW
END TERM EXAMINATION – MAY/JUNE 2024**

Semester : Semester II - 2023

Course Code : LAW2025

Course Name : Law of Contracts-II

Program : BA LLB Honors

Date : June 11, 2024

Time : 9.30AM – 12.30PM

Max Marks : 100

Weightage : 50%

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.

PART A

ANSWER ANY FOUR QUESTIONS

4Q X 5M = 20 MARKS

1. A,B,C and D are four partners in a firm. They jointly promised to pay 6,00,000 to F . B and C have become insolvent and due to which B was unable to pay any amount and C could pay only Rs. 50,000. A is compelled to pay the whole amount to F. Decide the extent to which A can recover the amount from D with reference to the provisions of the Indian Contract Act, 1872.
(CO2,CO1) [Application]
2. Define and differentiate between existing goods, future goods, and contingent goods under the Sales of Goods Act, 1930. Provide examples for each type.
(CO2,CO3) [Knowledge]
3. Define partnership according to the Indian Partnership Act 1932. Illustrate your answer with supportive examples
(CO2,CO1) [Knowledge]
4. Write a short note on the effects of non-registration of partnership firms.
(CO2,CO1) [Knowledge]
5. A, B, and C are partners in the Partnership firm. C retires without giving public notice. D gives Rs.5000/- loan to the firm without the notice of change. Is C liable?
(CO2,CO3) [Application]
6. "A" lends his horse which he knows to be vicious to "B". "A" does not disclose the vicious nature of the horse to "B". "B" is injured while the horse. Is "A" liable.
(CO1,CO2) [Application]

PART B

ANSWER ANY FOUR QUESTIONS

4Q X 10M = 40 MARKS

7. What is Agency? What are the various modes of creating Agency relationship? Also describe the different kinds of Agent.
(CO1,CO2) [Knowledge]

8. Explain the role of "agency" in contract law, including the rights and liabilities of an agent and a principal.
(CO1,CO2) [Application]
9. Define Pledge. State the Circumstances in which a non-owner can make a valid Pledge.'A finds a dog and makes a reasonable effort to trace the true owner, but cannot find him. Later 'A' sells that dog to 'B' who buys it without knowing that 'A' was merely a finder. Can the true owner recover the dog from 'B'? Decide.
(CO2,CO3) [Application]
10. A and B formed a trading partnership for 5 years. After 2 years A is convicted of travelling on the railway without a ticket. A filed suit for dissolution of the firm on the grounds of his misconduct. Will he succeed? Justify your answer with proper landmark case law.
(CO2,CO1) [Application]
11. John, a small business owner, needs immediate funds to purchase raw materials for a large order. He approaches a financier and pledges his stock of finished goods as security for a short-term loan. Evaluate the practical steps John and the financier should take to create and perfect the pledge. Explain how the pledge affects John's ability to use or sell the pledged goods in his business.
(CO2,CO3) [Application]
12. A furniture manufacturer, OakCreations, supplies a batch of dining tables to a restaurant owner, Mr. Sharma. The sales contract specifies that the tables must be made of solid oak wood. Upon delivery, Mr. Sharma discovers that the tables are made of oak veneer instead of solid oak wood. Evaluate the legal implications of this discovery under the Sales of Goods Act, 1930. How should Mr. Sharma proceed based on the concepts of condition and warranty? What remedies are available to him?
(CO2,CO3) [Application]

PART C

ANSWER ANY TWO QUESTIONS

2Q X 20M = 40 MARKS

13. Analyze the mutual relationships between the principal, original agent, and sub-agent under the Indian Contract Act, 1872. Discuss the circumstances under which an original agent can appoint a sub-agent, and the legal consequences of such an appointment. Use relevant case laws to support your analysis.
(CO2,CO3) [Analysis]
14. Mr. Kapoor, a successful real estate developer, appointed Ms. Sharma as his agent to negotiate and finalize deals for purchasing land on his behalf. The agency contract was set for a period of two years, starting from January 1, 2022, and included a clause allowing for early termination by mutual consent or due to certain specified events. Over the course of their business relationship, several significant events took place:
1. On June 1, 2022, Ms. Sharma finalized a major land deal for Mr. Kapoor, which significantly increased his property holdings.
 2. On January 1, 2023, Mr. Kapoor discovered that Ms. Sharma had been negotiating another deal for her own benefit without informing him.
 3. On March 1, 2023, Ms. Sharma was hospitalized due to a severe illness, rendering her incapable of performing her duties.
 4. On May 1, 2023, Mr. Kapoor informed Ms. Sharma in writing that he wished to terminate the agency agreement due to her conflict of interest and her ongoing health issues.
 5. On August 1, 2023, Ms. Sharma fully recovered and resumed her real estate activities.
- Analyze the legal grounds for the termination of agency in this scenario based on the principles of agency law. Discuss the possible justifications Mr. Kapoor might use for terminating the agency agreement and evaluate whether the termination was lawful and effective. Consider the implications of Ms. Sharma's conflict of interest, her illness, and the written notice provided by Mr. Kapoor.
(CO3,CO2) [Analysis]
15. Explain the rule that allows a minor admitted to the benefits of a partnership to elect to continue or discontinue in the firm upon reaching majority. Discuss the rationale behind this rule and its impact on the minor and the partnership with the help of relevant case laws and legal provisions.
(CO3,CO4) [Analysis]