



6. The consideration for Surety is:

- (A) Separate (B) As much as that of Principal Debtor  
(C) As much as that of Creditor (D) Not Separate

7. Which one of the following element is **not necessary** for a contract of Indemnity?

- (A) Competent parties (B) Loss due to third person  
(C) Loss due to indemnifier or third person (D) Absolute Liability of Indemnifier

8. The Bailment **cannot** be:

- (A) Contractual (B) Non Contractual  
(C) Quasi Contractual (D) Without purpose

9. A contract of Guarantee must be:

- (A) Written (B) Expressed  
(C) Expressed and written (D) Implied or Expressed

10. Contract of Life Insurance is:

- (A) Contract of Indemnity (B) Contract of Guarantee  
(C) Contingent Contract and Indemnity (D) None of the above

### Part B

Answer **all** the Questions. **Each** sub question carries **two** marks. (1QX20M=20)

11. Match the following with most suitable choices and mention the code with answer in the answer script.

A	Termination of bailment	1	Contingent upon Loss
B	Liability of Indemnifier	2	Rights of Subrogation
C	Necessary Expenses of Gratuitous Bailee	3	Anything which has the effect of bringing into the possession
D	Right of creditor over securities	4	Rights of Creditor
E	Liability of Bailee in Gratuitous bailment	5	Liability of Bailor to pay
F	Rights of Indemnity Holder	6	Special kind of Bailment
G	Constructive Delivery	7	Damages, costs and sums
H	Continuing Guarantee	8	Gross Negligence
I	Rights of Surety upon payment	9	Inconsistency with conditions of Bailment
J	Pledge	10	Revocation on Death with respect to future transactions

### Part C

Answer **both** the Questions. Each question carries **ten** marks. Write the answer in light of relevant **provisions** and decided **cases**. (2QX10M=20)

12. Amit's ornaments having been stolen were recovered by police and while in police custody were stolen again. Can Amit file a suit against the police? Differentiate between custody and possession in the light of relevant decided case(s).
13. Arun contracts to indemnify Bhaskar if Bhaskar suffers any loss because of Dilip's prosecution against Bhaskar. Dilip obtains a court decree against Bhaskar. Bhaskar is yet to pay the amount to Dilip, but he sues Arun for recovery of this amount. Decide.





6. If the Bailor is without title and has lent the goods, the original owner **cannot**:

- (A) File a suit against Bailee
- (B) File a suit against bailor
- (C) Apply to the court for deciding title of goods
- (D) Force the Bailee for delivery to him

7. The ratification **may** be:

- (A) Expressed
- (B) Implied
- (C) Express and Implied
- (D) Expressed or Implied

8. The Surety gets discharged when:

- (A) Time is given to Principal Debtor by Creditor
- (B) Time is given to Surety by Creditor
- (C) Creditor Promises not to sue
- (D) Creditor forbears to sue

9. Contract of Life Insurance is:

- (A) Contract of Indemnity
- (B) Contract of Guarantee
- (C) Contingent Contract and Indemnity
- (D) None of the above

10. If the Pawnor makes a default in payment, the pawnee cannot:

- (A) file a suit against Pawnee
- (B) file a suit and retain the goods
- (C) file a suit or retain the goods
- (D) Sell the goods without reasonable notice

### Part B

11. Answer **all** the Questions. **Each** question carries **two** marks. (10QX2M=20M)

Match the following with most suitable choices and mention the code with answer in the answer script.

A	Disclosure of faults in goods	1	Right of Agent
B	Mere Forbearance to sue Principal Debtor	2	Termination of Agency
C	Agent's interest coupled with Principal's interest	3	Discharges the surety

D	Variance in terms of Contract of Guarantee	4	Right to sell the goods if commonly a subject of sale
E	Liability of Principal	5	Right of surety to be indemnified
F	Liability of Principal Debtor	6	Does not discharge the surety
G	Death or Insanity	7	Liability of the Bailor
H	Right of Lien	8	Authority cannot be revoked
I	Right of Involuntary Bailee	9	Implied indemnification
J	Necessary Expenses of Pawnee	10	Right of retainment

### Part C

Answer **all** the Questions. Each question carries **ten** marks. Write the answer in light of relevant **provisions** and decided **cases**. (4QX10M=40M)

12. Bharat took a loan of Rs 15, 000 from a bank. The loan was guaranteed by Ganesh. The bank also had a security by way of a mortgage on Bharat's land which was worth Rs 5, 000. However, the bank cancelled the mortgage. Is Bharat fully discharged of his liability? Is Ganesh discharged of his liability? Decide.

13. Amit lends a sum of Rs 500 to Dilip on the security of 2 shares of a company on 1<sup>st</sup> January, 2018. On 15<sup>th</sup> June, 2018 the company issued two bonus shares. Dilip returns the amount of Rs 500 with interest, but Amit returns only 2 shares which were pledged, and refuses to give the bonus shares. Advice Dilip.

14. Owner Oliver contracts with an insurance company to insure his building for 10 lacs against fire. The company policy provides that the claim will only be made if a written notification by Oliver is made within twenty days from the day of occurrence of such incident. There is a fire in the building and Oliver gives a oral notification to the company on the fifth day after occurrence. After twenty days expire, the owner reads the policy and finds the clause of written intimation and makes a rush to the company. Will Oliver's claims be made good by the company? Explain.