

PARUL UNIVERSITY
FACULTY OF LAW

I-B.A. / I- B.Com/ I-B.B.A LL.B. Summer 2018 – 19 Examination

Semester: 2

Date: 10/04/2019

Subject Code: 17300153

Time: 10.30 am to 1.00 pm

Subject Name: Law of Contract

Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed. (1 marks each. All Compulsory)**(15)****1. Which one of the following element is not necessary for a contract ?**

- | | |
|----------------------|-------------------------------------|
| a) Competent parties | b) Reasonable terms and conditions. |
| c) Free consent | d) Lawful concentration . |

2. An agreement becomes a contract if :

- | | |
|--|---------------------------|
| a) It is by free consent of the parties. | b) Parties are competent. |
| c) It is enforceable by law. | d) None of the above . |

3. The correct sequence in the formation of a contract is :

- a) Offer, acceptance, agreement, consideration.
- b) Agreement, consideration, offer, acceptance.
- c) Offer , Consideration, acceptance, agreement.
- d) Offer, acceptance, consideration, agreement.

4. Consider the following statements :

1. If an infant obtains property or goods by misrepresenting his age, he can be compelled to restore it even though the infant has sold the Goods or converted them.
2. There is no estoppel against minor.

Which of the statement given above are correct?

- | | |
|------------------|---------------------|
| a) 1 only | b) 2 only . |
| c) Both 1 and 2. | d) Neither 1 nor 2. |

5. A patient in a lunatic asylum who is at intervals of sound mind :

- a) May not contract.
- b) May contract.
- c) May contact during those intervals when he is of sound mind.
- d) May contract only after he becomes completely of sound mind .

6. A contract caused by one of the parties to it being under a mistake as to matter of fact is :

- a) Void
- b) Valid
- c) Voidable at the option of either party.
- d) Voidable at the option of the party who under mistake.

7. Which one of the following sections of the Indian Contract Act,1872 relates to the rule no consent, no agreement ?

- | | |
|---------------|---------------|
| a) Section 13 | b) Section 21 |
| c) Section 20 | d) Section 22 |

8. Which may render an agreement void ?

- a) Coercion causing consent.
- b) Undue influence causing consent.
- c) Fraud causing consent.
- d) Agreement in restraint of trade.

9. An advertisement inviting tender is

- | | |
|------------------------------------|----------------|
| (a) An invitation for negotiations | (b) A proposal |
| (c) An invitation for proposal | (d) A promise |

10. Goods displayed in a shop window with a price label will amount to

- | | |
|-------------------------|-------------------------|
| (a) Offer | (b) Invitation to offer |
| (c) Acceptance of offer | (d) None of these |

11. Various modes of revocation of offer have been described in
(a) Section 4 (b) Section 5
(c) Section 6 (d) Section 9

12. A proposal may be revoked at any time

- (a) Before the communication of its acceptance (b) Before the rejection of its communication
(c) Both (a) and (b) (d) None of above

13. Where both the parties are under mistake as to matter of fact the agreement is

- (a) Void (b) Voidable
(c) Valid (d) None of above

14. Mistake of fact

- (a) Makes a contract voidable (b) Does not make a contract voidable
(c) Makes a contract void (d) None of above

15. A promise made without intention to perform is:

- a) Misrepresentation. b) Fraud
c) Undue influence d) Coercion

Q.2 A) Write short notes on (Each of three mark) (15)

1. Wagering Agreement
2. Concept of Insanity in Contract
3. Privity of Contract
4. Contingent contract
5. Invitation to offer

Q.3 A) What do you understand by discharge of contract? Mention the ways in which a contract would be discharged? (07)

OR

A) What do you understand by breach of contract? Explain in detail the various remedies that are available for a breach of contract. (07)

B) Explain the nature of an agreement with a minor with reference to the decision in Mohiribibi v. Dharmodas Ghosh. (08)

A while still a minor by falsely representing himself to be the age of majority entered into an agreement to sell his house to B and took from him full consideration amount of Rs. 50 lakhs. However, later A refused to execute the sale deed of his house in favour of B on the plea of minority. Advise B about the legal remedies available to him against A.

OR

B) Discuss the nature of an agreement where one of the parties has committed fraud. (08)

A knows that the car he was buying from B was ten years old although B has represented that he had purchased it new only four years ago. Can A avoid the contract on the ground of fraud?

Q.4 A) N was in the business of selling horses. His uncle U visited his stud farm. N gladly took him around and showed his horses. U returned to his place and after three days sent an email to N which said "If I hear no more from you about that horse, I shall consider it as mine for Rs. 15 lakhs". Thereafter, N did not reply back but instructed his manager not to put that black horse up for auction as it had already been sold to his uncle U. the manager followed the instructions and as a result all the horses except the black horse were sold. But U never came forward to make payment for that black horse. N sues U to enforce the contract. Would he succeed? Give reasons for your answer. (07)

B) Answer the following any FOUR (Each of two mark) (08)

1. Tender
2. Coercion
3. Misrepresentation
4. Consideration
5. Revocation