

BA.,BBA.,B.Com.,LL.B. (Sem.-I) Examination

IL 105

Law of Contract

April-2017

Time : 3 Hours]

[Max. Marks : 70

Instructions: All Questions are compulsory
Marks indicated on the right refer to the total marks of respective question

Q.1 All contracts are agreements but all agreements are not contracts. Explain the statement with reference to essentials of a valid contract. 14

OR

Q.1 Define contract and discuss the essential elements of a valid contract.

Q.2 Discuss the law relating to minor's agreement in detail. 14

OR

Q.2 What is Capacity to Contract? Explain provisions related to persons of unsound mind and persons disqualified from contracting.

Q.3 Explain the provisions of Misrepresentation in the context of the Indian Contract Act, 1872. 14

OR

Q.3 Explain the term "Consideration" and state the exceptions to the rule: "No consideration, no contract"

Q.4 What is the legal implication of Agreements in restraint of trade? What are the exceptions to the contracts in restraint of trade? 14

OR

Q.4 Explain Consent and Free Consent according to the Indian Contract Act, 1872. Explain briefly the elements vitiating free consent.

Q.5 (A) Multiple Choice Questions [Attempt Any 4 (2 marks each)] 14

1. A minor's liability for necessities supplied to him
- A. Arises after he attains majority age
- B. Is against only minor's property
- C. Does not arise at all
- D. Arises if minor gives a promise for it.

(P.T.O)

M038-2

2. Moral pressure is involved in case of
 - A. Coercion
 - B. Undue Influence
 - C. Misrepresentation
 - D. Fraud
3. Contract =
 - A. Offer + Acceptance
 - B. Offer + Acceptance + Consideration
 - C. Agreement + Consideration
 - D. Agreement + Enforceability at law
4. _____ is a one sided contract in which only one party has to perform the promise
 - A. Unilateral Contract
 - B. Bilateral
 - C. Illegal
 - D. Enforceable
5. A mere attempt to deceit by one party
 - A. Is not fraud unless the other party is actually deceived
 - B. Is fraud whether the other party has been deceived or not
 - C. Amounts to misrepresentation
 - D. Amounts to fraud
6. Agreement in restraint of legal proceedings is
 - A. Altogether void
 - B. To that extent void
 - C. Illegal
 - D. None of these
7. Illegal agreements are
 - A. Void-ab-initio
 - B. Valid
 - C. Voidable
 - D. None of this
8. A mistake as to a law not in force in India as the same effect as
 - A. Mistake of fact
 - B. Mistake of Indian Law
 - C. Fraud
 - D. Misrepresentation

M038-3

(B) Give Your Advice [Attempt Any 3 (2 mark each)]

- 1) Varun forced Siddharath to enter into a contract at the point of pistol. What remedy is available to Prem if he does not want to be bound by the contract ?
- 2) Ram, being in dire need of money, sells his newly purchased car costing Rs.5,00,000 at a price of Rs.50,000 to Shyam. Afterwards, Shyam seeks to set aside the contract on the ground of inadequacy of consideration. Will he succeed ?
- 3) Jitendra tells his son Tushar that he would commit suicide, if he did not transfer his personal assets to him. He does so under threat. Can the son avoid the contract ?
- 4) Kushal promises to pay Aadit Rs.500 to if Aadit beats Himanshu. Aadit beats Himanshu, but Kushal refuses to pay Aadit. Can Aadit recover the amount ?
- 5) Over a movie, Karan invites Bipasha to a dinner at his house on a Sunday. Bipasha hires a taxi and reaches Karan's house at the appointed time, but Karan fails to perform his promise. Can Bipasha recover any damages from Karan ?
- 6) Birju sent a telegram to Sarju, "Will you sell your scooter ? Quote lowest price." Sarju sent a reply "Lowest price Rs.15,000". Birju sent a second telegram to Sarju, "I agree to buy your car for Rs.15,000". Thereafter, Sarju refuses to sell. (i) Can Birju compel Sarju to do so ? (ii) is there a contract between Birju and Sarju ?
