

I. CHOOSE THE BEST ANSWER:

1. On the valid performance of the contractual obligations by the parties, the contract
 - (a) Is discharged
 - (b) Become enforceable
 - (c) Becomes void
 - (d) Becomes legal
2. Which of the following persons can perform the contract?
 - (a) Promisor alone
 - (b) Legal representatives of promisor
 - (c) Agent of the promisor
 - (d) All of these
3. A B C jointly promised to pay Rs.50000 to D. Before performance of the contract C dies.
Here the Contract
 - (a) Becomes void on C's death
 - (b) Should be performed by A and B along with C's legal representatives
 - (c) Should be performed by A and B alone
 - (d) Should be renewed between A, B and D
4. Which of these parties cannot demand performance of promise?
 - (a) Promise
 - (b) Any of the joint promises
 - (c) On the death of a promise, his legal representative
 - (d) Stranger to the contract
5. A person is said to be a third person if he is not a
 - (a) Promisor
 - (b) Promise
 - (c) Agent
 - (d) Legal representative

II. VERY SHORT ANSWER QUESTIONS:**1. State the ways of Performing a Contract.**

- ✱ Actual performance
- ✱ Attempted performance

2. Who is a Legal Representative?

If the Promisor dies the legal representative of the deceased promiser is bound to perform the contract.

3. Who is an agent?

- ✱ The promisor may employ a competent person such as agent to perform the promise, if the contract is not formed on personal condition.

4. Define Reciprocal Promise.

- * Promises which form consideration or part of consideration for each other are called 'Reciprocal Promise'.

5. By whom must contracts be performed?

- Promisor himself
- Agent
- Representations

III. SHORT ANSWER QUESTIONS

1. What is a valid tender?

A valid tender of performance is considered to be the performance of a promise.

There are mainly two ways of performing contracts:

i. Actual Performance

- When the party has done what he had undertaken to do, it is called actual performance.
- In actual performance, the party is to fulfill all his obligations under the contract.

ii. Attempted Performance

- * When the party offers to perform his obligation, it is not accepted by the promisee.
- * So, it is also called offer to performance or tender.

2. Who can execute and perform a Contract?

- * Promisor himself
- * Agent
- * Representations
- * Third Person
- * Promise

3. Who can demand performance?

- ⊗ **Promisee** – Only a promisee can demand performance and not a stranger demand performance of the contract.
- ⊗ **Legal Representative** – Legal representative can demand Exception performance. Contrary intention appears from the contract. Contract is of a personal nature.
- ⊗ **Third party** – Exception to “stranger to a contract”

4. Write a note on the benefits of Reciprocal Promise.

Promises which form consideration or part of consideration for each other are called 'reciprocal promise'.

- Mutual and Independent
- Mutual and Dependent
- Mutual and Concurrent

5. Who is a Joint Promisor?

Where two or more persons have made a joint promise, a release of one of such joint promiser by the promisee does not discharge the other joint promiser, neither does it free the joint promiser.

IV. LONG ANSWER QUESTIONS

1. Explain rules relating to place of performance of promise

- ✱ It is only the promisee for whom the contract is performed.
- ✱ Only the promisee can demand the performance of the promise under a contract.
- ✱ Of course, there are certain special cases, where a third party can enforce a promise though he is not a party to the contract.
- ✱ For example in respect of trust, marriage settlement etc.
- ✱ In case of death of promisee, the representative appointed by him can ask for the performance of the promise under a contract.

2. Elucidate the provision regarding time as factor in performance.

i). Under Section 46, performance within a reasonable time:

- ★ According to Section 46, a promisor is to perform his promise within a reasonable time.
- ★ On the other hand, reasonable time will depend upon the circumstance of the case, the usage of trade or on the intention of the parties entering into the contract.

ii). Under Section 47, specified time and place for performance:

- ♣ According to the Section 47, In such a case the promisor may perform the promise at any time during the usual hours of business on such day and at the place at which the promise ought to be performed.

3. How do you think appropriation of payments takes place?

i). Appropriation of Payments

- ✱ Sometimes, a debtor owes several distinct debts to the same creditor and he makes a payment which is insufficient to satisfy all the debts.

- ✿ In such a case, a question arises as to which particular debt the payment is to be appropriated.

ii). Application of payment where debt to be discharge is not indicated [60]

- ⊙ If section 60 is attracted, the creditor shall have the discretion to apply such payment for any lawful debt which is due to him from the person making the payment.

iii). Application of payment where neither party appropriates [61]

- ✿ The payment shall be applied in discharge of the debts in order of time whether they are or are not based by the limitation Act 1963.
- ✿ If the debts are of equal standing the payment shall be applied in discharge of each of these debts proportionately.

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