

I. CHOOSE THE BEST ANSWER:

1. On the valid performance of the contractual obligation by the parties, the contract.
 - (a) is discharged
 - (b) becomes enforceable
 - (c) becomes void
 - (d) none of these
2. An Agreement to do an Act impossible in itself under Section 56 is.
 - (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Unenforceable
3. Any agreement which becomes impossible to perform under various circumstances
 - (a) Voidable
 - (b) Void
 - (c) Valid
 - (d) None of these
4. Discharge by Mutual Agreement may involve
 - (a) Novation
 - (b) Rescission
 - (c) Alteration
 - (d) All of the above
5. The compensation given for breach of contract is
 - (a) Damage
 - (b) Remuneration
 - (c) Money
 - (d) Cheque

II. VERY SHORT ANSWER QUESTIONS**1. What are the kinds of consent?***** Express :**

Express consent may be given at the time of formation of the contract to its formation

*** Implied :**

➤ Novation,

➤ Recession,

➤ Alteration,

➤ Remission.

2. What are the types of Impossibility of Performance?

* Impossibility existing at the time of agreement.

* Impossibility arising subsequent to the formation of contract.

3. What is Quantum merit?

⊙ The claim for quantum merit may arise if a contract performed by one party has become discharged by breach of the other party.

⊙ The meaning of the phrase quantum merit is 'as much as earned'.

III. SHORT ANSWER QUESTIONS

1. What are the different modes of discharged by implied consent?

- ✿ Agreement between the parties comes to an end by mutually agreeing for it.
- ✿ Any contract is created by an agreement, hence in the same way; it can be discharged by an agreement.
- ✿ The consent may be of the following types
 - (i) **Express:** Express consent may be given at the time of formation of the contract or subsequent to its formation
 - (ii) **Implied:** The contracts are also discharged by implied consent, different modes of discharge by implied consent are mentioned below
 - (a) Novation, (b) Alteration, (c) Recession, (d) Remission,
 - (e) Accord and Satisfaction, (f) Waiver and (g) Merger

2. Define discharge by Performance.

- ✿ According to the Section 56 of the Act, all acts to do impossible acts are void.
- ✿ There are two types of impossibility of performance such as –
 - ⊙ Impossibility existing at the time of agreement.
 - ⊙ Impossibility arising subsequent to the formation of contract.

3. What are reasons for impossibility arising after the formation of contract?

A contract may be discharged if its performance becomes impossible.

- ✿ The law does not recognize what is impossible and
- ✿ What is impossible does not create an obligation.

4. What are the various rules regarding damages?

- ✿ Damages are a monetary compensation awarded by the court to the injured party for the loss or injury suffered by him.
- ✿ As per contract, one party can claim damages if other party breach the contract.
- ✿ The main purpose of awarding the damages is to make good the loss suffered by him.
- ✿ It is known as doctrine of restitution.

IV. LONG ANSWER QUESTIONS

1. Explain the ways of discharge of Contract?

i). Discharge by Performance

- ➔ Performance implies carrying out the obligation of the contract.

- Performance must be completed according to the real intentions of the agreement.
- Performance of contract may be of two types namely:
 - ✿ Actual performance
 - ✿ Attempted performance

ii). By Agreement on Consent:

- ✿ The consent may be of the following types
 - (i) **Express:** Express consent may be given at the time of formation of the contract to its formation
 - (ii) **Implied:** The contracts are also discharged by implied consent, different modes of discharge by implied consent are mentioned below
 - (a) Novation, (b) Alteration, (c) Recession, (d) Remission,
 - (e) Accord and Satisfaction, (f) Waiver and (g) Merger

iii). By Impossibility of performance:

A contract may be discharged if its performance becomes impossible. The rule of impossibility of performance is based on the following maxims

- ✿ The law does not recognize what is impossible and
- ✿ What is impossible does not create an obligation.

iv). By Lapse of Time

- ▲ According to the Limitation Act, 1963 a contract must be performed within a specified time.
- ▲ If it is not performed within this specified time limit.

v). By Operation of Law:

- A contract can be discharged by the operation of law.
- The operation of law by which contract can be discharged are as follows:
 - ➞ By Death
 - ➞ By Merger
 - ➞ By Insolvency
 - ➞ Rights and liabilities vesting in the same person

2. Write about the various remedies for breach of contract

(i) Rescission of Contract

In case of breach of contract by one party, then the other parties may rescind the contract and thereby the party is absolved from his all obligations under the contract.

(ii) Claim for Specific Performance

- ✱ In some specific cases if the damages are not the adequate remedy, then the court can direct the party in breach for the specific performance of the contract.
- ✱ In such case, the promise is carried out as per terms and conditions of the contract.

(iii) Claim for Injunction

- ☉ Injunction is an order passed by a competent court restraining a person from doing some act.
- ☉ Injunction can be defined as a mode of securing the specific performance of the negative terms of a contract.

(iv) Claim for Quantum Merit

- ✱ The claim for quantum merit may arise if a contract performed by one party has become discharged by breach of the other party.
- ✱ The meaning of the phrase quantum merit is 'as much as earned'.

(v). Claim for damages:

- ✱ Damages are a monetary compensation awarded by the court to the injured party for the loss or injury suffered by him.
- ✱ The main purpose of awarding the damages is to make good the loss suffered by him.

3. Discuss the different types of damages awarded to the injured party.

- ✱ Damages are a monetary compensation awarded by the court to the injured party for the loss or injury suffered by him.
- ✱ As per contract, one party can claim damages if other party breach the contract.
- ✱ The main purpose of awarding the damages is to make good the loss suffered by him.
- ✱ It is known as doctrine of restitution.
- ✱ The Section 73 of the Indian Contract Act, 1872 deals with the compensation for loss or damages caused by a party for breach of contract.
- ✱ There are mainly four types of damages, such as
 - Ordinary damages
 - Exemplary damages
 - Special damages
 - Nominal damages.

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