



VIT[®]

Vellore Institute of Technology

(Deemed to be University under section 3 of UGC Act, 1956)

Legal Aspects of Business

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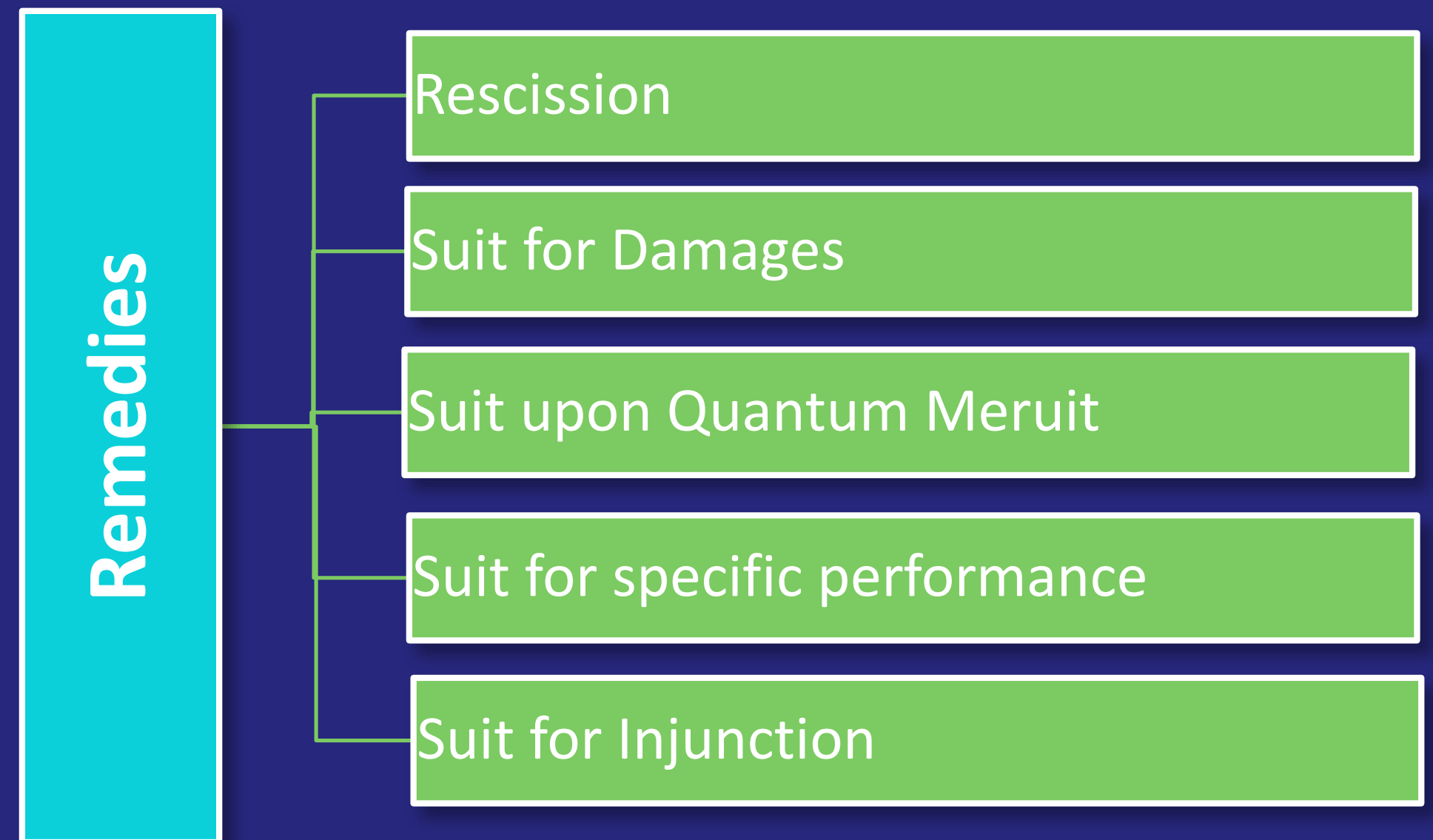
Recapitulate

Modes of Discharge of Contract

- By performance
- By agreement or consent
- By impossibility of performance
- By lapse of time
- By operation of law
- By breach of contract

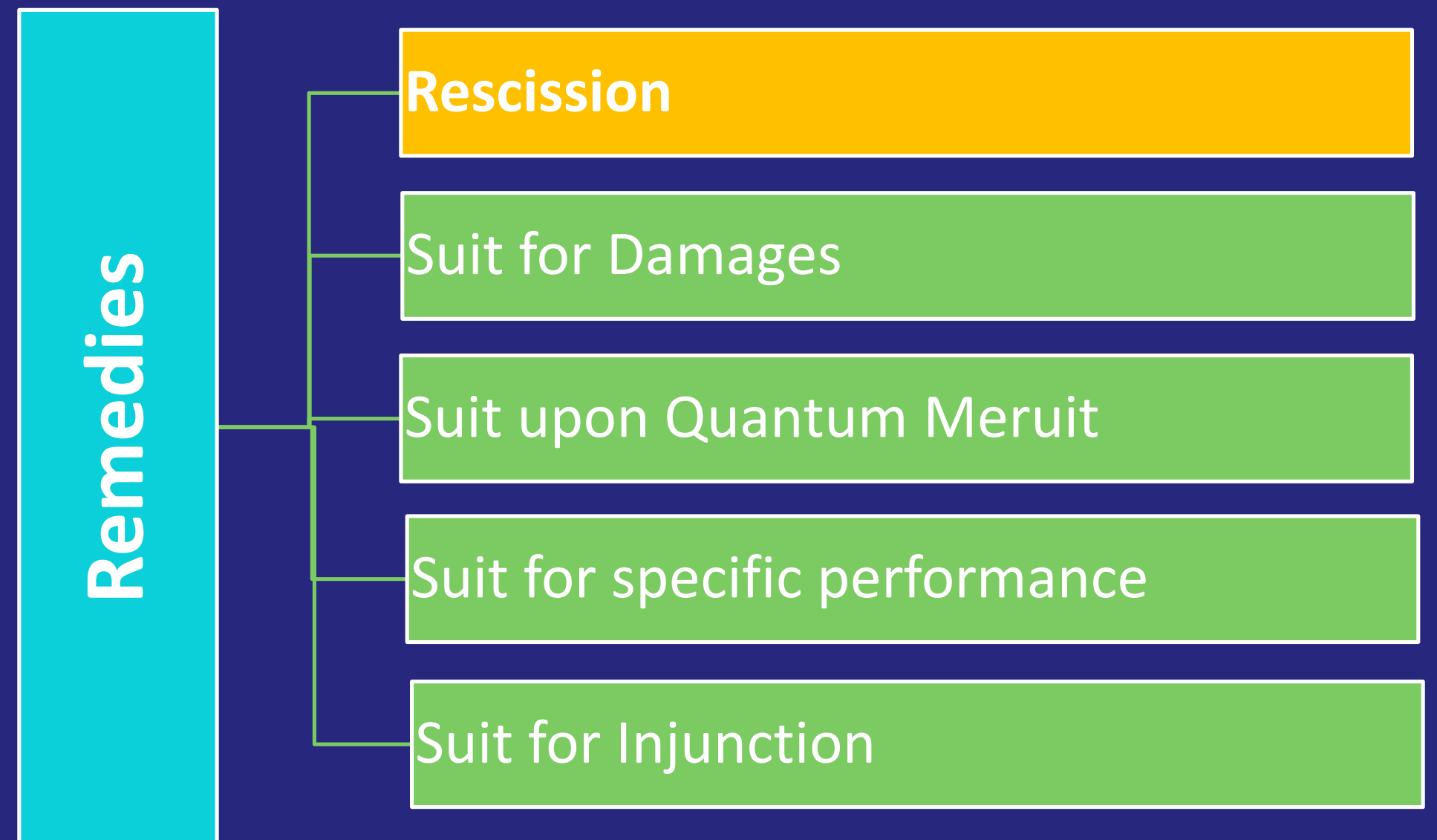
Remedies available for Breach of Contract

- Where there is a right, there is a remedy
- When a contract is broken, the injured party (i.e., the party who is not in breach) has one or more of the following remedies:



Rescission

The contract as rescinded and refuse further performance.



Suit for Damages

Monetary compensation allowed to the injured party by the court for the loss or injury

Remedies

Rescission

Suit for Damages

Suit upon Quantum Meruit

Suit for specific performance

Suit for Injunction

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

Forms of Damages

Arise Naturally
Ex. Change in Price

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

Forms of Damages

Other than naturally arise.
Ex. Copra Cake

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

Forms of Damages

Punitive (involving punishment)
by nature

**Ex. Dishonor of a cheque by a
banker wrongfully**

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

Forms of Damages

The damage recoverable by him are nominal

Ex. Declined employment of an employee due to some situation

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

Forms of Damages

Damages for loss of reputation in case of breach.

Ex. Wrongful refusal of customer's cheque and if it affect his trade reputation.

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

Forms of Damages

Damages for physical inconvenience and discomfort.

Ex. Wrongfully dismissed in a harsh and humiliating manner from his employment.

Damages

Ordinary Damages

Special Damages

Vindictive or exemplary

Nominal

Loss of Reputation

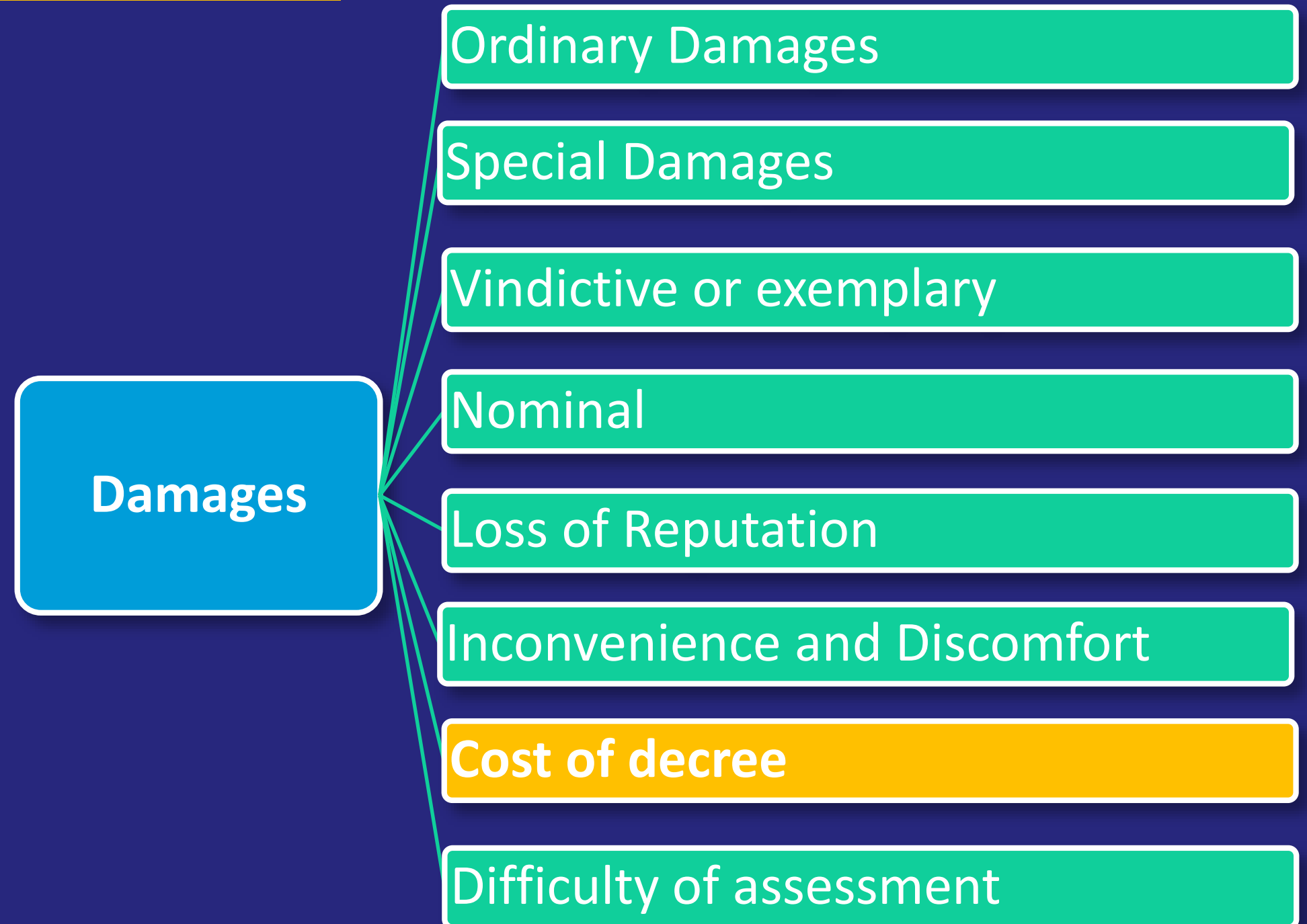
Inconvenience and Discomfort

Cost of decree

Difficulty of assessment

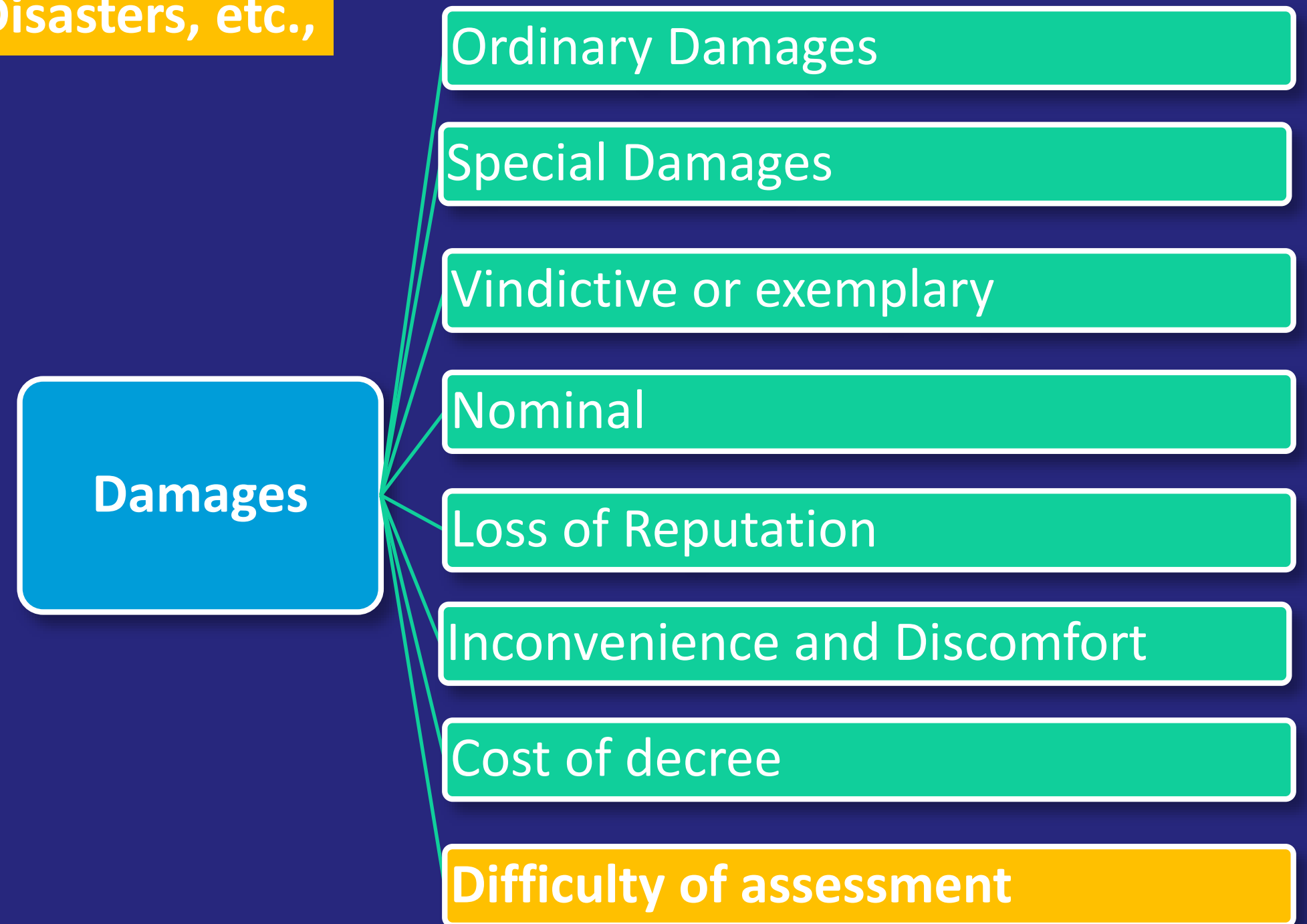
Forms of Damages

Cost incurred for getting damages



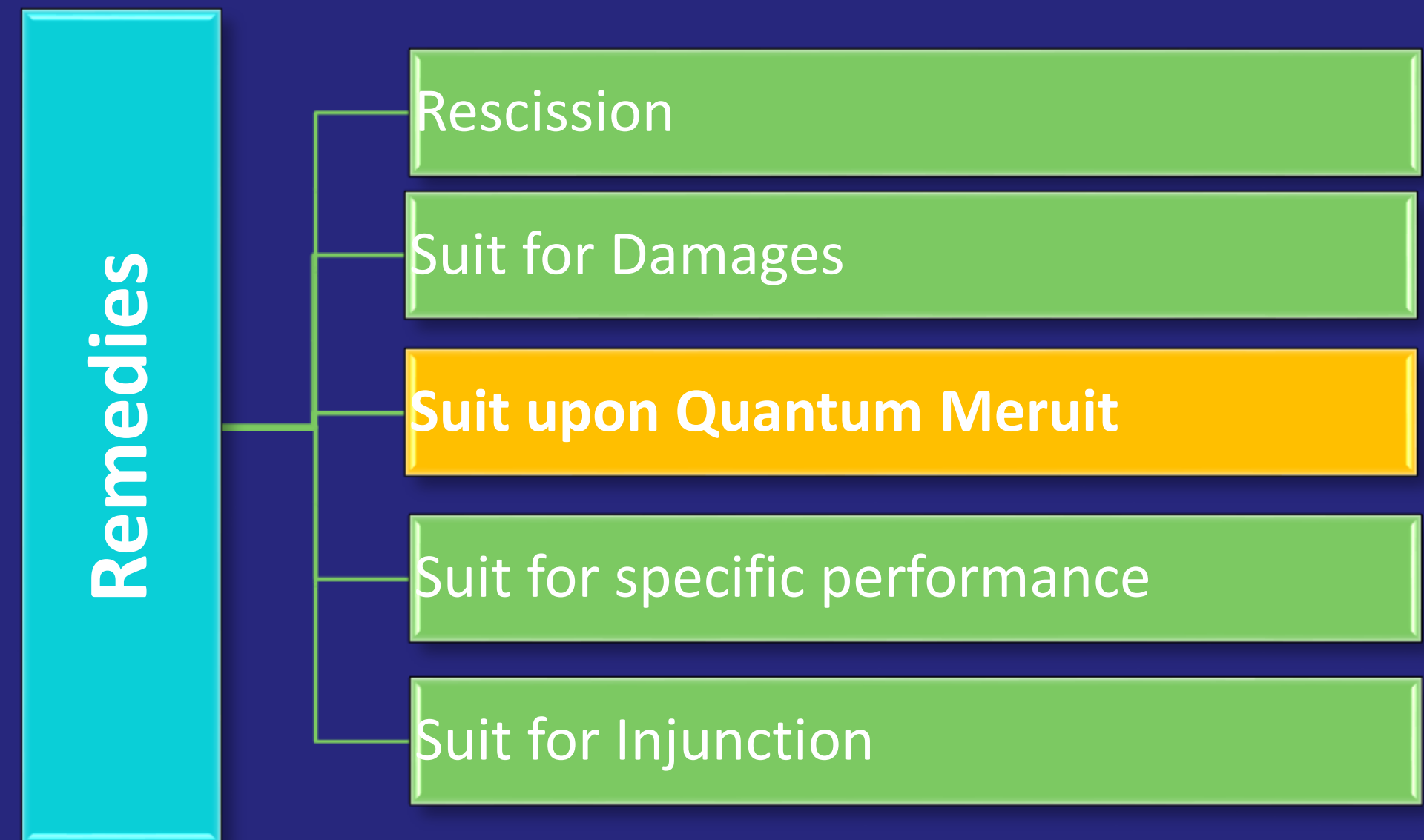
Forms of Damages

Difficult to assess with certainty.
Ex. Accidents, Natural Disasters, etc.,



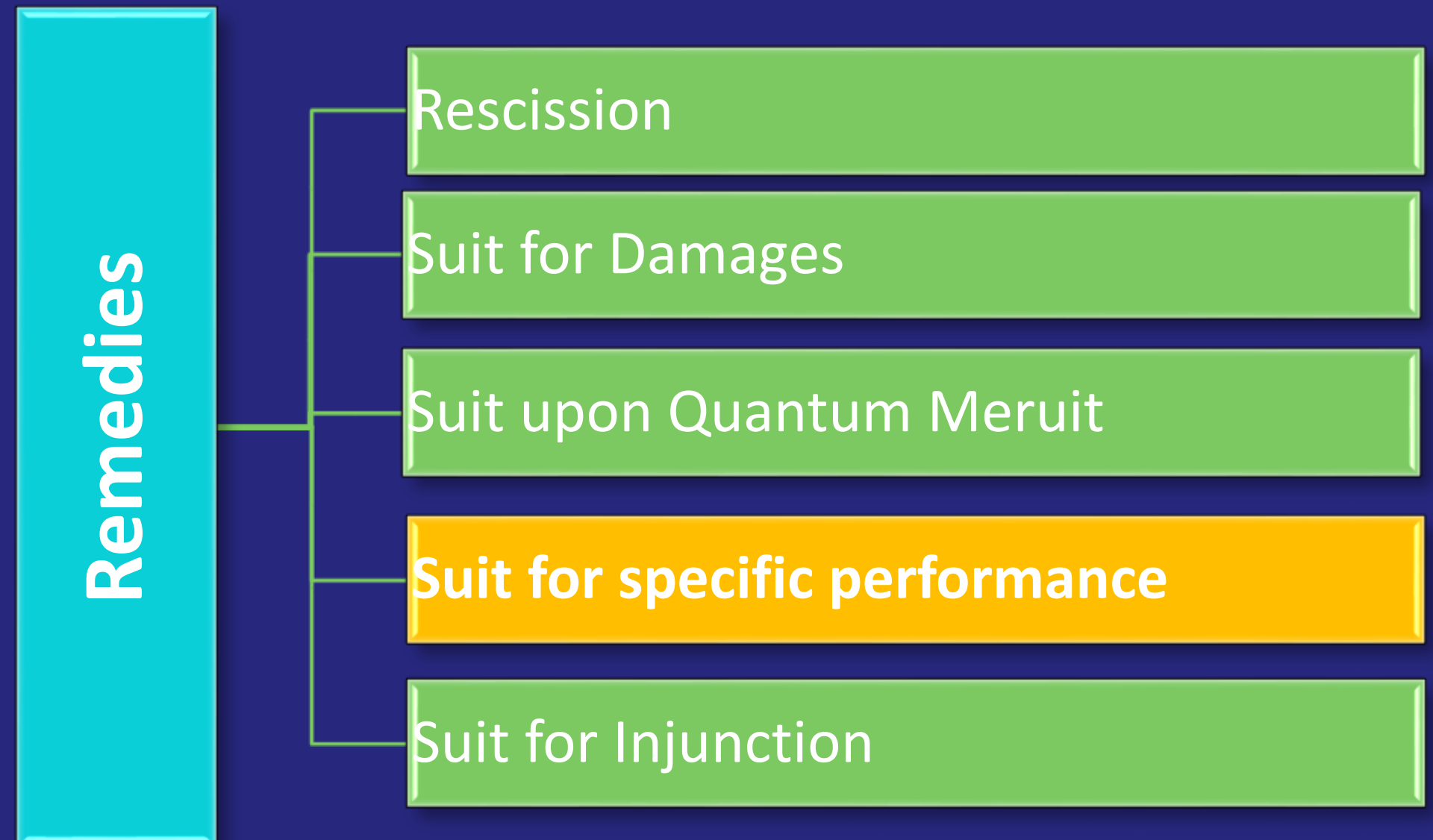
Suit upon Quantum Meruit

Quantum Meruit literally means as much as earned



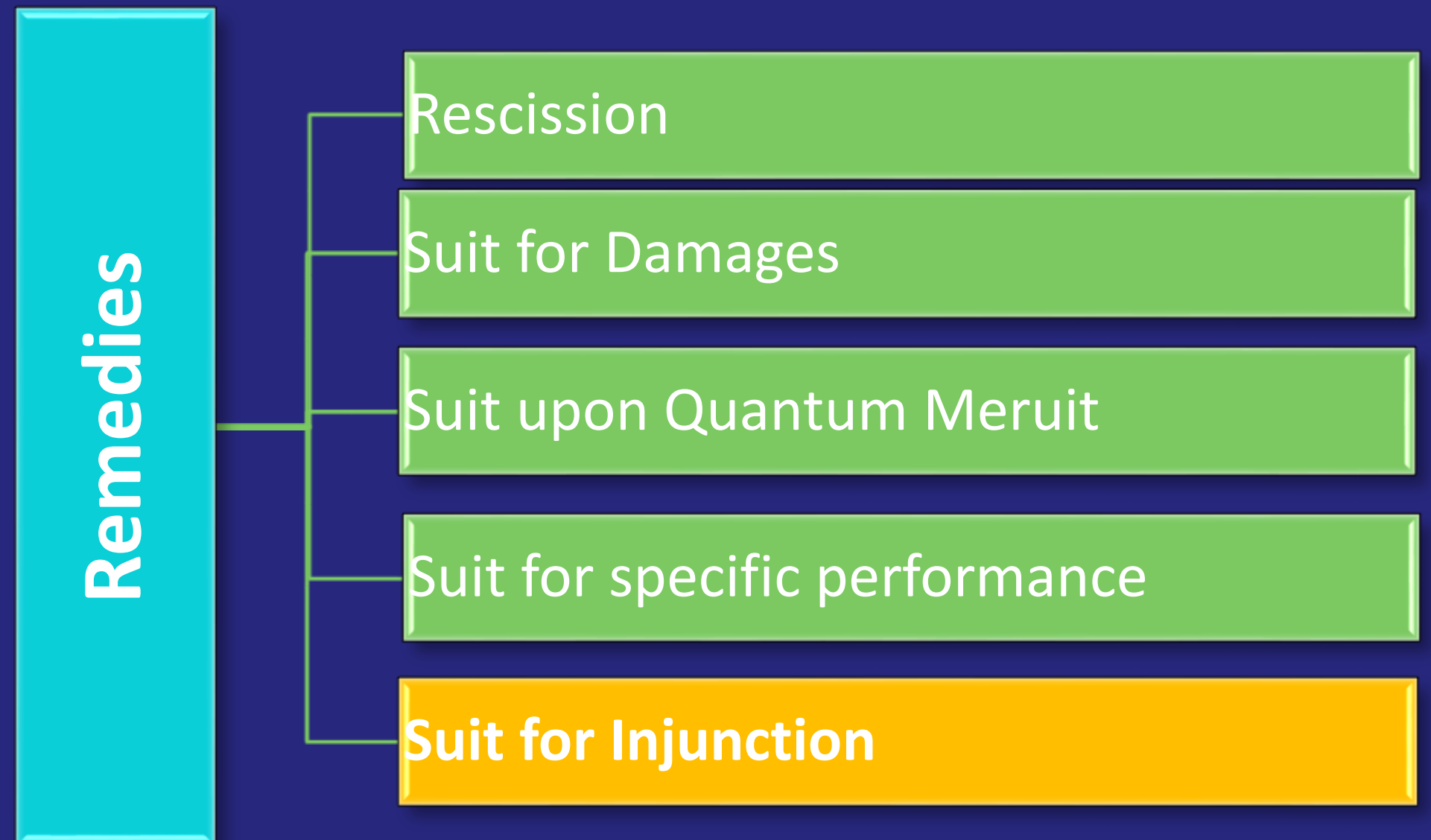
Suit for specific performance

The law would insist to carry out their promise according to the terms of the contract



Suit for Injunction

The court may, issue an order, restrain from doing what they promised not to do



Review Questions

1. In case of a wrongful dishonour of a cheque by a banker having sufficient funds to the credit of the customer, the court may award

- a) Ordinary damages
- b) Special damages
- c) Nominal damages
- d) Exemplary damages

2. A cow was sold with a warranty that it was free from disease. The cow was suffering from foot and mouth disease at the time of sale. As a result of it, not only the cow purchased died but infected the other cows of the purchaser also. What damages can be recovered in this case?

3. Where there is a right; there is a remedy. **True or False**

Answer

1. In case of a wrongful dishonour of a cheque by a banker having sufficient funds to the credit of the customer, the court may award

Answer: d) Exemplary damages

2. A cow was sold with a warranty that it was free from disease. The cow was suffering from foot and mouth disease at the time of sale. As a result of it, not only the cow purchased died but infected the other cows of the purchaser also. What damages can be recovered in this case?.

Answer: Special Damages: The purchaser can claim not only the loss for the death of the cow but also the entire loss.

3. Where there is a right; there is a remedy.

Answer: True