

Jaimin solanki  
AU22UG-014

**\*\*Question 1:\*\*** Define contract. What are the essential elements of a valid contract?

**\*\*Student Answer:\*\*** A contract is a legally binding agreement between 2 or more parties, enforceable by law. Essential elements of a contract include:

- offer & Acceptance - Valid offer by one party and acceptance by the other.
- Lawful consideration - Something of value exchanged between both parties
- Capacity of Parties - Parties must be competent.
- Free consent - Consent must be given without coercion, undue influence, fraud, misinterpretation or mistake.
- Lawful object - The object of contract must be legal.
- Certainty & Possibility of performance - Terms must be clear & enforceable.
- Not declared void - The agreement shouldn't be declared void by law.

---

**\*\*Question 2:\*\*** Explain the rights of an unpaid seller under the Sale of Goods Act, 1930.

**\*\*Student Answer:\*\*** Unpaid seller is someone who hasn't received full payment for the trade. The rights include:

- Right of Lien - Retaining possession of goods until payment is made
- Right of stoppage in transit - If buyer becomes insolvent & stoppage of goods in transit is permitted
- Right of resale - Seller can resell goods under certain conditions.
- Right to pursue price - Seller can sue if the buyer refuses to pay.
- Right to sue for damages - If buyer wrongfully refuses to accept goods, seller can claim for damages.

---

**\*\*Question 3:\*\*** What are the different types of contracts? Explain with examples.

**\*\*Student Answer:\*\*** Contracts are classified based on validity, formation & performance:

Validity

- Valid contract - Legally enforceable (e.g. Sale of goods).
- Void contract - Initially valid but becomes unenforceable due to change in law (e.g. contract made under coercion).
- Illegal contract - Unlawful & punishable (e.g. Contract for smuggling).

Formation

- Express contract - Terms stated explicitly (e.g. written agreement)
- Implied contract - Terms inferred from contract (e.g. taking a taxi).

#### Performance

- Executed contract - Fully performed (e.g. Payment made for goods received).

---

**\*\*Question 4:\*\*** Explain the concept of consumer protection and the rights of consumers under the Consumer Protection Act, 2019.

**\*\*Student Answer:\*\*** Consumer protection refers to laws safeguarding buyers against unfair trade practices & defects in goods/services. Rights granted are:

- Right to safety - Protection from hazardous goods.
- Right to Information - Access to complete product details
- Right to choose - Freedom to select from variety of products.
- Right to be heard - Consumers can file complaints.
- Right to seek redressal - Compensation for defective goods/services.
- Right to consumer education - Awareness about consumer rights.

---

**\*\*Question 5:\*\*** Discuss the essentials of a legally enforceable contract with examples.

**\*\*Student Answer:\*\*** The essentials of a legally enforceable contract are:

- offer & Acceptance - e.g. X offers to sell their car for 25 lakhs, Y accepts.
- Lawful consideration - e.g. paying money for goods.
- Capacity of parties - e.g. A minor cannot enter into a contract.
- Free consent - e.g. A contract signed under duress is voidable.
- Lawful object - e.g. A contract to smuggle goods is illegal
- Certainty & possibility of performance e.g. "I will sell when I feel like" is vague.
- Not declared void - e.g. Wagering agreements are void in India

---

**\*\*Question 6:\*\*** What is the difference between a private and a public company under the Companies Act, 2013?

**\*\*Student Answer:\*\*** Private

- Minimum members required are 2.
- Max members allowed are 200.

#### Public

- Minimum members required are 7
- Unlimited amount of max members allowed.

---

**\*\*Question 7:\*\*** Differentiate between contract and agreement.

**\*\*Student Answer:\*\*** Agreement

→ A promise or set of promises forming consideration for each other.

→ All agreements are contracts

Contract

→ A legally enforceable agreement.

→ All contracts are agreements

---

**\*\*Question 8:\*\*** Amit enters into a contract with Ramesh to sell his car for ₹5,00,000. They agree that Ramesh will make the payment within a week, and Amit will deliver the car.

However, after a week, Ramesh refuses to pay. What legal remedies are available to Amit?

**\*\*Student Answer:\*\*** This is a breach of contract by Ramesh.

Amit can do the following:

→ Suit for damages: Amit can claim compensation for loss suffered due to non-payment.

→ Suit for specific performance: Amit can approach the court to compel Ramesh to fulfill his obligation.

→ Suit for rescission: Amit may cancel the contract and claim damages.

→ Suit for quantum meruit: If Amit has already delivered the car, he can demand payment for the services performed.

---

**\*\*Question 9:\*\*** Ravi, a 16-year-old boy, purchases a motorbike from a dealer by falsely claiming to be 18. Later, he meets with an accident and refuses to pay the remaining amount, stating that he is a minor. Can the dealer sue Ravi for breach of contract?

**\*\*Student Answer:\*\*** According to Indian Contract Act, 1872, a contract entered into by a minor is void ab initio. Therefore:

→ Contract between Ravi & dealer is not enforceable.

→ Even though Ravi misrepresented his age, it doesn't make the contract valid.

→ The dealer cannot sue Ravi for the outstanding amount.

However, if the bike is still with Ravi, the dealer may claim it under the doctrine of restitution.

---

**\*\*Question 10:\*\*** Priya purchases a washing machine from a reputed brand. Within a month, it stops functioning. The company refuses to repair it, stating that the warranty does not cover the damage. Priya later finds that the machine was defective from the beginning. What can she do under the Consumer Protection Act, 2019?

**\*\*Student Answer:\*\*** Priya is a customer and has the right to file a complaint against the company for supplying a defective product. She can:

→ File a complaint in the District Consumer Forum if the compensation sought is under ₹1 crore.

→ Claim for replacement or full refund for defective washing machine.

→ Demand compensation for inconvenience & financial loss.