

Enrollment No.....



Programme: LL.B. (Hons.)

Branch/Specialisation: Law

Faculty of Law

End Sem Examination Dec 2024

LW3CO33 Law of Contract -I

Duration: 3 Hrs.**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

| | Marks | BL | PO | CO | PSO |
|--|----------|----|----|----|-----|
| Q.1 i. According to the Indian Contract Act, when is an offer considered communicated? | 1 | 1 | 1 | 2 | |
| (a) When sent by the proposer | | | | | |
| (b) When it comes to the knowledge of the offeree | | | | | |
| (c) When acceptance is expressed | | | | | |
| (d) When the proposer retracts the offer | | | | | |
| ii. An agreement becomes a contract when it is- | 1 | 1 | 1 | 2 | |
| (a) Written on paper | | | | | |
| (b) Enforceable by law | | | | | |
| (c) Between friends | | | | | |
| (d) Spoken | | | | | |
| iii. Which of the following is not valid as consideration in a contract? | 1 | 2 | 1 | 1 | |
| (a) Past consideration | | | | | |
| (b) Present consideration | | | | | |
| (c) Future consideration | | | | | |
| (d) Illegal consideration | | | | | |
| iv. A minor's contract is usually- | 1 | 2 | 1 | 1 | |
| (a) Void | | | | | |
| (b) Valid | | | | | |
| (c) Enforceable | | | | | |
| (d) Irrelevant | | | | | |
| v. Coercion means- | 1 | 2 | 1 | 2 | |
| (a) Agreeing willingly | | | | | |
| (b) Threatening someone to agree | | | | | |
| (c) Offering money | | | | | |
| (d) Asking politely | | | | | |

| | [2] | | [3] |
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| vi. | Consent given under influence or pressure is called- (a) Free consent (b) Undue influence (c) Mistake (d) Valid agreement | 1 2 1 1 | OR iii. Discuss the capacity to contract, focusing on the rules regarding minors under the Indian Contract Act. |
| vii. | An agreement that is unlawful and cannot be enforced is- (a) Void (b) Valid (c) Negotiable (d) Written | 1 2 5 4 | Q.4 i. Define coercion. How does it impact a contract's validity? ii. Differentiate between fraud and misrepresentation with suitable examples. |
| viii. | A wager, such as betting on a cricket match, is: (a) A valid contract (b) Void (c) Enforceable by law (d) A legal requirement | 1 2 5 5 | OR iii. Explain the mistake as a vitiating factor of consent. What are the effect to mistake on the contract? Explain with relevant examples and cases. |
| ix. | The doctrine of frustration applies when: (a) A party breaches the contract intentionally (b) Performance of the contract becomes impossible due to unforeseen events (c) A contract is delayed by mutual agreement (d) Both parties seek modification | 1 2 5 5 | Q.5 i. What is meant by the "Legality of object"? Provide examples of agreements considered unlawful. ii. Describe types of agreements declared void under the Indian Contract Act, with examples. |
| x. | The remedy where a party must fulfill their contractual promise is called- (a) Damages (b) Specific performance (c) Penalty (d) Compensation | 1 2 5 5 | OR iii. Explain wagering agreements. Why they are unenforceable by law in India? |
| Q.2 | i. Define "Contract" according to the Indian Contract Act, 1872. ii. Explain the essentials of a valid acceptance in contract law. iii. Describe with examples the difference between an agreement and a contract. | 2 2 1 1 3 2 1 1 5 3 1 3 | Q.6 Attempt any two: i. What is the doctrine of frustration? Discuss its application with an example. ii. Explain the different types of damages available for breach of contract. iii. Explain the remedy of specific performance and the conditions under which it is granted. |
| OR | iv. Discuss the communication of an offer and acceptance. When is communication considered complete? | 5 3 1 3 | ***** |
| Q.3 | i. What is consideration in a contract? ii. Explain the concept of privity of contract and its exceptions. Give relevant examples. | 2 1 1 1 8 2 1 3 | |

Marking Scheme

LW3CO33 Law of Contract- I

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|------------|--|------|--|--|
| Q.1 | | i. | b) When it comes to the knowledge of the offeree ii) b) Enforceable by law iii) d) Illegal consideration iv) a) Void v) b) Threatening someone to agree vi) b) Undue influence vii) a) Void viii) b) Void ix) b) Performance of the contract becomes impossible due to unforeseen events x) b) Specific performance | 1 1 1 1 1 1 1 1 1 1 |
| Q.2 | | i. | Define "Contract" according to the Indian Contract Act, 1872. (2 marks) | 2 |
| | | | <ul style="list-style-type: none"> ● "Contract" defined as an agreement enforceable by law (1 mark) ● Key elements: Offer, acceptance (or Agreement), Lawful consideration, Lawful object, free consent and capacity (1 mark) | |
| | | ii. | Essentials of a Valid Acceptance (3 marks) | 3 |
| | | | <ul style="list-style-type: none"> ● Must be absolute and unqualified (1 mark) ● Must be communicated to the offeror (1 mark) ● Acceptance within the time stipulated or within a reasonable time and in the manner stipulated(1 mark) | |
| | | iii. | Difference between an Agreement and a Contract (5 marks) | 5 |
| | | | <ul style="list-style-type: none"> ● Definition of Agreement (1 mark) ● Definition of Contract: Legally binding; enforceable by law (1 mark) ● All contracts are agreements, but not all agreements are contracts (1 mark) ● Examples distinguishing both concepts (2 marks) | |
| OR | | iv. | Communication of Offer and Acceptance (5 marks) | 5 |
| | | | <ul style="list-style-type: none"> ● Definition and process of communication of offer (2 marks) ● Completion of communication when acceptance reaches offeror (2 marks) | |

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| | | | <ul style="list-style-type: none"> ● Relevant example (1 mark) | |
| Q.3 | | i. | What is Consideration in a Contract? (2 marks) | 2 |
| | | | <ul style="list-style-type: none"> ● Defined as something of value exchanged for a promise (1 mark) ● Must be lawful, real, and possible (1 mark) | |
| | | ii. | Priority of Contract and Exceptions (8 marks) | 8 |
| | | | <ul style="list-style-type: none"> ● Explanation of priority of contract doctrine (2 marks) ● Background of Priority Doctrine (2 marks) ● Exceptions to priority (e.g., trusts, agency, etc.) (2 marks) ● Case law or example supporting exceptions (2 marks) | |
| | | OR | iii. | <p>2. Capacity to Contract (Minors) (8 marks)</p> <ul style="list-style-type: none"> ○ General rule: minors cannot contract (2 marks) ○ Contracts for necessity (2 marks) ○ Void nature of contracts with minors (2 marks) ○ Case examples (2 marks) |
| | | | Q.4 | 3 |
| | | i. | Define Coercion and Its Impact (3 marks) | |
| | | | <ul style="list-style-type: none"> ● Definition of coercion with examples (1 mark) ● Relevant Section (1 mark) ● Impact: makes the contract voidable (1 mark) | |
| | | ii. | Difference between Fraud and Misrepresentation (7 marks) | 7 |
| | | | <ul style="list-style-type: none"> ● Fraud: Intentional deception to gain unfair advantage (2 marks) ● Misrepresentation: Innocent or negligent misstatement (2 marks) ● Effects on contract validity (2 marks) ● Relevant example (1 mark) | |
| | | OR | iii. | <p>2. Mistake in Contract Law (7 marks)</p> <ul style="list-style-type: none"> ○ Definition of mistakes (2 Marks) ○ Types of mistakes: unilateral, mutual (1 marks) ○ Impact on contract: void or voidable status (2 marks) ○ Case/ example (2 mark) |
| | | | Q.5 | 4 |
| | | i. | Legality of Object (4 marks) | |
| | | | <ul style="list-style-type: none"> ● Definition and importance of legality in contracts (1 mark) ● Examples: illegal agreements (2 marks) | |

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| | | [2] |
| | <ul style="list-style-type: none"> ● Case example (1 mark) | |
| ii. | Types of Void Agreements (6 marks) | 6 |
| | <ul style="list-style-type: none"> ● Explanation of various void agreements (e.g., wagering, restraint of marriage, restraint of trade, restraint of legal proceeding, uncertain agreements, without consideration, etc.) (4 marks) ● Case law/ Examples of each type (2 marks) | |
| OR | <p>iii. Wagering Agreements (6 marks)</p> <ul style="list-style-type: none"> ○ Definition and example of wagering agreements (2 marks) ○ Reasons why they are void under Indian law (2 marks) ○ Case example (2 marks) | 6 |
| Q.6 | <p>i. Doctrine of Frustration (5 marks)</p> <ul style="list-style-type: none"> ● Explanation of doctrine with legal principle (2 marks) ● Applicability when performance is impossible (2 marks) ● Example (1 mark) | 5 |
| ii. | Types of Damages for Breach of Contract (5 marks) | 5 |
| | <ul style="list-style-type: none"> ● Compensatory damages, punitive damages, nominal, and liquidated damages (2 marks) ● Explanation of each type with examples (3 marks) | |
| iii. | Remedy of Specific Performance (5 marks) | 5 |
| | <ul style="list-style-type: none"> ● Definition and purpose of specific performance (2 marks) ● Conditions when it is granted (e.g., uniqueness of subject matter) (2 marks) ● Case example (1 mark) | |

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