



Faculty of Law

End Semester Examination May 2025

LW3CO39 Law of Contract -II

Programme	:	LL.B. (Hons.)	Branch/Specialisation	:	All
Duration	:	3 hours	Maximum Marks	:	60

Note: All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary. Notations and symbols have their usual meaning.

Section 1 (Answer all question(s))					Marks	CO	BL
Q1.	The Liability of an indemnifier begins when:				1	1	1
	<input type="radio"/> The indemnity contract is signed	<input checked="" type="radio"/> The indemnified party suffers a loss or incurs a liability					
	<input type="radio"/> The indemnifier anticipates a loss	<input type="radio"/> The indemnified party claims compensation					
Q2.	A continuing guarantee applies to:				1	2	1
	<input checked="" type="radio"/> A specific transaction	<input type="radio"/> A specific number of transactions					
	<input type="radio"/> Mutual agreement	<input type="radio"/> Reasonable number of transactions					
Q3.	Bailment is defined under which section of the Indian Contract Act, 1872?				1	1	1
	<input checked="" type="radio"/> Section 148	<input type="radio"/> Section 149					
	<input type="radio"/> Section 150	<input type="radio"/> Section 151					
Q4.	Which of the following is NOT a right of the finder of goods?				1	2	1
	<input type="radio"/> Right to retain goods until expenses are paid	<input type="radio"/> Right to sell goods under certain conditions					
	<input checked="" type="radio"/> Right to claim ownership after a fixed period	<input type="radio"/> Right to sue for compensation if refused reimbursement					
Q5.	The principal-agent relationship is established primarily through:				1	3	2
	<input type="radio"/> Contract	<input type="radio"/> Conduct					
	<input type="radio"/> Necessity	<input checked="" type="radio"/> All of these					
Q6.	An agency can be terminated when:				1	3	2
	<input type="radio"/> The principal revokes authority	<input type="radio"/> The agent renounces duty					
	<input type="radio"/> The agent dies	<input checked="" type="radio"/> All of the above					
Q7.	Which of the following is a condition in the contract of sale?				1	4	2
	<input type="radio"/> Payment mode	<input type="radio"/> Warranty period					
	<input checked="" type="radio"/> Fitness for purpose	<input type="radio"/> Discount offered					
Q8.	An unpaid seller CANNOT exercise which of the following rights?				1	1	1
	<input type="radio"/> Right to resell	<input type="radio"/> Right to retain possession of goods as security					
	<input checked="" type="radio"/> Right to destroy the goods	<input type="radio"/> Right of stoppage					
Q9.	The mutual rights and duties of partners CANNOT be determined by:				1	5	3
	<input type="radio"/> Agreement	<input type="radio"/> The Partnership Act					
	<input checked="" type="radio"/> Arbitrarily	<input type="radio"/> Conduct of partners					

Q10. A partnership firm is dissolved under which of the following circumstances?

1 1 2

- ☐ Death of a partner
 ☐ Expiry of a fixed term
☐ Insolvency of a partner
 ☒ All of the above

Section 2 (Answer all question(s))

Marks CO BL

Q11. Define contract of indemnity. Give relevant examples.

2 1 2

Rubric	Marks
Definition of Indemnity contract	1
Example	1

Q12. Discuss the modes of revocation of continuing guarantee.

3 2 2

Rubric	Marks
Different modes of revocation	3

Q13. (a) Explain the rights of a surety under a contract of guarantee.

5 3 3

Rubric	Marks
Rights of surety	3
Example or caselaw	2

(OR)

(b) Differentiate between contract of indemnity and contract of guarantee.

Rubric	Marks
Difference between indemnity and guarantee	4
Example or caselaw	1

Section 3 (Answer all question(s))

Marks CO BL

Q14. Define the concept of bailment with reference to the decided case laws and relevant provisions.

4 3 2

Rubric	Marks
Definition of bailment and pledge	3
Case law or Example	1

Q15. (a) Examine the rights of pawnor and pawnee.

6 3 3

Rubric	Marks
Rights of pawnor	3
Rights of pawnee	3

(OR)

(b) Differentiate between the contract of bailment and pledge.

Rubric	Marks
Difference between the contract of bailment and pledge	5
Examples	1

Section 4 (Answer all question(s))

Marks CO BL

Q16. Discuss the contract of agency. How is an agency created?

4 3 2

Rubric	Marks
Definition of Agency	1
Modes of creation of Agency	3

Q17. (a) Discuss the different modes of termination of an agency.

6 3 4

Rubric	Marks
Relevant Section	1
various modes of termination of agency	4
Examples and illustrations	1

(OR)

(b) Explain the duties of an agent towards the principal.

Rubric	Marks
Duties of agent with relevant sections	5
Cases or examples	1

Section 5 (Answer all question(s))

Marks CO BL

Q18. Differentiate between sale and agreement to sell.

3 3 3

Rubric	Marks
Difference between sale and agreement to sell.	2
Examples	1

Q19. (a) Explain the difference between conditions and warranties in a contract of sale of goods.

7 3 4

Rubric	Marks
Definition of conditions and warranties	2
Differences	4
Examples	1

(OR)

(b) Who is an unpaid seller? Evaluate the rights of an unpaid seller against the buyer with relevant case laws.

Rubric	Marks
Definition of unpaid seller	1
Rights of unpaid seller	5
Examples and cases	1

Section 6 (Answer any 2 question(s))

Marks CO BL

Q20. Define partnership and explain its essential elements.

5 5 2

Rubric	Marks
Relevant section	1
Definition of Partnership	1
Essential elements	3

Q21. Discuss the duties of partners under the Indian Partnership Act.

5 5 3

Rubric	Marks
Duties of Partners	3
Relevant sections	1
Examples and cases	1

Q22. Explain the dissolution of a partnership firm and its legal consequences.

5 5 4

Rubric	Marks
relevant sectionModes of Dissolution	4
Relevant sections	1
