

**Question 1: Essential Elements of a Valid Contract**

- (a) "All contracts are agreements but all agreements are not contracts." Explain this statement with reference to the Indian Contract Act, 1872. (5 marks)
- (b) Can silence amount to acceptance in a contract? Justify your answer with legal provisions. (5 marks)
- (c) X sold a horse to Y with a forged veterinary certificate. Can Y cancel the contract? Discuss the legal remedy available under Section 19 of the Indian Contract Act. (5 marks)

**Question 2: Minor's Capacity to Contract**

- (a) "A minor's agreement is void ab initio." Explain this principle with reference to *Mohori Bibee v. Dharmodas Ghose*. (5 marks)
- (b) Under what circumstances can a minor be held liable for payment? Refer to Section 68 of the Indian Contract Act. (5 marks)
- (c) Mr. A promised rs50,000 to a minor's father if he divorced his wife. Is this agreement enforceable? Give reasons. (5 marks)

**Question 3: Bailment vs. Pledge**

- (a) Differentiate between bailment and pledge with examples. (5 marks)
- (b) A finder of goods left in a restaurant wishes to sell them after 6 months. Discuss his rights and duties under the Indian Contract Act. (5 marks)
- (c) How does a pawnee's right differ from a bailee's right in case of default? (5 marks)

**Question 4: Discharge of Contracts**

- (a) Explain *actual breach* and *anticipatory breach* of contract with examples. (5 marks)
- (b) "Doctrine of frustration discharges contracts only in exceptional cases." Discuss with legal provisions (Section 56). (5 marks)
- (c) Mr. B sold a car to Mr. A, hiding engine defects. Can Mr. A claim damages? Argue based on exceptions to *caveat emptor*. (5 marks)

**Question 5: LLP vs. Partnership**

- (a) Compare the liability of partners in a traditional partnership and an LLP. (5 marks)
- (b) Outline the procedure to convert a partnership firm into an LLP. (5 marks)
- (c) "An LLP has perpetual existence unlike a partnership." Explain this advantage with legal provisions. (5 marks)

**Bonus: Case Study (10 marks) Scenario:** X guarantees Y's loan of rs5 lakhs from Z Bank. Y defaults, and Z Bank sues X without exhausting Y's assets. X argues his liability is secondary.

- (a) Is X's argument valid under Section 128 of the Indian Contract Act? (3 marks)
- (b) What remedies does Z Bank have against X? (4 marks)
- (c) How can X be discharged from his liability? (3 marks)