

LL.B. (Three Years Course) Semester—I (C.B.S.) Examination

LAW OF CONTRACT—I

(Course Code : 1.1)

Compulsory Paper—1

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) All sections are compulsory.

(2) Section A carries **10** marks. Section B carries **30** marks.
Section C carries **40** marks.

(3) Follow the instructions given in each section.

SECTION—A

(Multiple Choice Questions)

Note :— This section consists of **ONE** question having sub-questions carrying **1** mark each.

1. Attempt any **TEN** of the following : 1×10=10

(i) The primary aim of the law of damages is to :

- (a) Punish the party who has committed the breach of contract
- (b) Enrich the party who sustained the loss
- (c) Place the party who sustained the loss in the same position as if the contract has been performed
- (d) Give some type of compensation

(ii) Unlawful detaining or threatening to detain any property, to the prejudice of any person making him to enter into an agreement amounts to :

- (a) Threat (b) Coercion
- (c) Undue influence (d) Misappropriation

(iii) An agreement made under mistake of fact, by both the parties, forming the essential subject matter of agreement is :

- (a) Void (b) Voidable
- (c) Valid (d) Unenforceable

- (iv) Active concealment of fact is associated with which one of the following ?
- (a) Misrepresentation
 - (b) Undue influence
 - (c) Fraud
 - (d) Mistake
- (v) A change of nature of obligation of a contract is known as :
- (a) Novation
 - (b) Rescission
 - (c) Alteration
 - (d) Repudiation
- (vi) The juridical basis of quasi-contractual obligation can be explained through the theory of :
- (a) Indebitatus assumpsit
 - (b) Unjust enrichment
 - (c) Just and reasonable solution
 - (d) Voluntary benefits
- (vii) Which one of the following can be called a 'promisee' according to the Indian Contract Act ?
- (a) A person to whom a promise is made
 - (b) A person to whom a proposal is made
 - (c) A person accepting the proposal
 - (d) A person furnishing the consideration for the purpose
- (viii) A party to a contract committing breach, is liable to pay compensation in respect of :
- (a) the direct consequences flowing from the breach
 - (b) loss or damages caused indirectly
 - (c) losses caused, whether directly or indirectly
 - (d) losses caused remotely
- (ix) Lending money to a borrower at high rate of interest, when the money market is tight renders the agreement of loan :
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Illegal
- (x) A wagering agreement in India is declared as :
- (a) Illegal and void
 - (b) Void but not illegal
 - (c) Voidable at the option of the aggrieved party
 - (d) Immoral

- (xi) 'A' makes a contract with 'B' to buy his house for Rs. 50,000/- if he is able to secure a bank loan for that amount. The contract is :
- (a) Void for vagueness (b) Wagering contract
(c) Contingent contract (d) Voidable contract
- (xii) 'A' owes 'B' Rs. 3,000/-. 'C' pays to 'B' Rs. 2,000/- and 'B' accepts it in satisfaction of his claim against 'A'. This payment :
- (a) is not a discharge of the whole claim
(b) is a discharge of the entire claim
(c) can be discharged only when the balance is paid
(d) will be discharged only if the amount is paid by 'A'
- (xiii) A person enjoying the benefit of non-gratuitous act :
- (a) is under an obligation to make compensation for this benefit
(b) may make compensation at his option
(c) has no obligation towards any one
(d) has no remedy available against him
- (xiv) The Indian Contract Act is enacted in the year :
- (a) 1972 (b) 1872
(c) 1938 (d) 1945
- (xv) Contractual rights and duties are created by :
- (a) State (b) Parties
(c) Statute (d) None of the above

SECTION—B

(Short Answer Questions)

Note :— Both the questions are compulsory.

2. Answer the following (any **THREE**) : 5×3=15
- (a) Distinguish between Contract and Agreement.
(b) What is Undue Influence.
(c) Distinguish between Fraud and Misrepresentation.
(d) What are the responsibilities of Finder of Goods ?

3. Write short notes (any **THREE**) :

5×3=15

- (a) Distinguish between general offer and specific offer
- (b) 'Novation'
- (c) Anticipatory breach of Contract
- (d) Kinds of Injunction.

SECTION—C

(Long Answer Questions)

Note :— Answer any **FIVE** questions. Each question carries **8** marks.

8×5=40

- 4. “A stranger to a contract cannot sue”. Discuss and give exception to this rule.
- 5. What do you mean by capacity to contract ? What is the position of minor under contract.
- 6. ‘Want of free consent vitiates a contract and renders it void or voidable’. Discuss.
- 7. “Agreements restraining a person from exercising a lawful profession, trade or business of any kind is to that extent void”. Discuss and give exceptions to this rule.
- 8. What is a Contingent Contract ? Explain how it differs from a wagering contract.
- 9. Explain the various modes of discharge of contract.
- 10. Write an explanatory note on E-Contract.
- 11. When specific performance is granted by Court ?