

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Law of Contracts-I (General Principles and Specific Reliefs)
Semester-II (Batch: 2016-21)

End Semester Examination: April-May 2017

Date: 4th May, 2017

Duration: 3 hours

Max. Marks: 50

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.
- **Blue Act is not allowed.**

Marks**Part-A**

Answer all the questions

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| Q.1 | Write short notes on any three of the following: | (3x4) |
| | (a) Conditions for Specific Performance of Contract | -12) |
| | (b) Tender of Performance | |
| | (c) Illegal Agreements | |
| | (d) Injunctions as Preventive Relief | |
| Q.2 | Differentiate between the following: | (4x3) |
| | (a) Rescission and Remission | -12) |
| | (b) General Damages and Special Damages | |
| | (c) Contract and Quasi Contract | |
| | (d) Wagering and Contingent Contracts | |
| Q.3 | "An indication of lowest acceptable price does not constitute an offer to sell. Rather, it is considered an offer to treat." Explain this statement with relevant case laws and appropriate provisions of the Indian Contract Act 1872. | (02) |

Part-B

Answer all questions

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| Q.4 | Arjun, the owner of a ship, enters into a contract with Brijbihari to take a cargo of 50 tons of jute to Calicut, for sale at that place, starting on 15 December 1950. The boat, owing to some unavoidable reasons does not commence the journey on the stipulated date, whereby the arrival of the cargo at Calicut is delayed beyond the time when it would have arrived if the boat had sailed according to the contract. In the meanwhile, before the arrival of cargo the price of jute falls by Rs. 30/- per ton. Brijbihari files the suit for damages of Rs. 30,000/-. Decide with relevant case laws and provisions of the Indian Contract Act 1872. | (04) |
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- Q.5 'X' was going to a theatre in his car. When he drove near the theatre he saw a parking lot and assuming that it would be a free-parking provided by the theatre authorities, he parked his car and went to watch the movie. The parking operator had nothing to do with the theatre and did not know that 'X' was under a mistake. When 'X' returned from the theatre and went to get his car he was asked by the parking operator to pay his parking charges. 'X' refused to pay and contended that he was under an illusion that the parking was free. State whether the parking operator would be legally entitled for a consideration from 'X'. (04)
- Q.6 Alex agreed to send a shipment of groundnuts from Mumbai to Portsmouth during November 1972 to Samuels. However, subsequently a war between India and Pakistan broke out and customary route was closed to navigation. However, a longer route was open. Alex refused to send the goods. Samuels waited till November and requested him make the delivery. However, Alex's ship was requisitioned by the Indian government and later on destroyed during war. Samuels filed a suit for breach of contract and claim for damages. Advise Alex. Support your answer with relevant case laws and provisions of the Indian Contract Act 1872. (04)
- Q.7 'S', a owner of a shop, entered into an agreement with 'R' on 18th July 1978 for the sale of his shop for Rs. 2,500/- and received an advance of Rs. 100, fixing the month and the time for the completion of the transaction in September. However, on 22nd August 1978, 'S' executed a sale deed in favour of 'G' with respect to the same shop and put him in possession. 'G', who had no notice of the earlier agreement in favour of 'R', paid only Rs. 200 at the time of execution of the sale deed and promised to pay the balance of Rs. 2800/- at the time of registration of the document. Before registration of the sale deed, he came to know of the prior agreement in favour of 'R', however, still, he paid the balance of Rs. 2800/- before the registrar and got his sale deed registered. 'R' sues for specific enforcement of contract. Can he succeed? Support your answer with relevant provisions of the Specific Relief Act 1963. (04)
- Q.8 Zaheer leased a plot of land to Baali for operating a petrol pump. The lease commenced from 1-10-1954 and was for a period of 10 years. The lessee had the option of renewing the lease on or before 1-12-1963. The lessee applied for renewal on 13-12-1963. Lessor declined to renew. Advise the lessee with relevant case laws and provisions of the Indian Contract Act 1872. (02)
- Q.9 'X' transferred his house to his daughter 'M' by way of gift. The gift deed, executed by 'X', contained a direction that 'M' shall pay a sum of Rs. 5,000 per month to 'N' (the sister of the executor). Consequently 'M' executed an instrument in favour of 'N' agreeing to pay the said sum. Afterwards, 'M' refused to pay the sum to 'N' saying that she is not liable to 'N' because no consideration had moved from her. Decide with the help of case laws and reasons under the relevant provisions of the Indian Contract Act, 1872, whether 'M' is liable to pay the said sum to 'N'. (03)
- Q.10 Pierre advertises in a local newspaper that he will pay Rs 1000/- to anyone who returns his lost cat 'Turbo'. Horatia finds Turbo, whose collar contains Pierre's address and returns him to Pierre, who says nothing about the reward. The next day Horatia reads the reward advertisement for the first time in the news paper. Can Horatia claim Rs 1000/-? What if Horatia after seeing the advertisement and then finding Turbo, carelessly loses the cat while taking him to Pierre's house. Can Pierre sue Horatia for the value for the cat? (03)
