

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Law of Contracts-I (General Principles and Specific Reliefs)
Semester-II (Batch: 2018-23)

End Semester Examination: April-May 2019

Date: 1st May, 2019

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.

**Part-A
(Compulsory)**

Marks

- Q.1 Mohd Sofi, a famous Indian singer, two times Oscar nominee and Winner of Grammy Award for Best Singer used to get hundreds of letters and mails daily from his fans around the globe. One of his fans Guru, an Indian origin American, residing in Boston, also a singer, proclaimed himself as the biggest fan of Mohd Sofi. He was seen requesting in all of his videos that he posted on his YouTube page that he wished to perform some day with Mohd Sofi live-on-stage in Boston. When Mohd Sofi was on a world tour Guru met him and expressed his willingness. However, Mohd Sofi did not take him seriously and avoided Guru. Few days later, Guru posted a video on his YouTube page that if Mohd Sofi did not perform with him he would commit suicide. As Guru himself was a very popular singer in America, the video went viral and as soon as Mohd. Sofi watched the video, he contacted Guru and invited him to his studio in Mumbai for further deliberations. After several meetings, Mohd. Sofi agreed to perform but on a condition that they would not perform in Boston but in Washington DC. On the day of signing of the agreement, when Guru arrived at Mohd. Sofi's studio, he was accompanied by his uncle Pt. Jas Raj, a revered Indian classical singer and teacher of Mohd. Sofi. Mohd. Sofi was happy and astonished at the same time. Guru asked his uncle Pt. Jas Raj to convince Mohd. Sofi to perform in Boston. Mohd. Sofi could not refuse his teacher's request and agreed to perform in Boston. (12+2=14)

While selecting the venue of the performance, Mohd. Sofi wanted an auditorium which had a seating capacity of at least one thousand people. Guru told him that he himself is the trustee of St. Peter's Symphony Hall in Boston which has a seating capacity of more than one thousand people. Guru also informed him that the stadium was well equipped and frequently hosts dance and musical performances. He would immediately go to Boston and propose this to the governing council of St. Peter's Symphony Hall for their approval. Mohd. Sofi asked him whether Boston has enough Indian population or Bollywood music lovers to make the show houseful on which Guru remained silent. They were interrupted by Pt. Jas Raj who was in a hurry and thus the agreement was signed and the performance was scheduled for 1st of August, 2019. As per the contract, Mohd. Sofi was to be paid ₹ 1 crore out of which ₹ 25 lakhs was paid in advance, rest to be paid immediately after the performance.

By advancing your arguments based on the provisions of the Indian Contract Act 1872 and relevant case laws, answer the following questions:

- (a) Whether the contract is invalid on the grounds of lack of free consent? Elaborate the factors that vitiate free consent in the current scenario.
- (b) What happens if the contract is rescinded by Mohd. Sofi?

Part-B

Answer any four question out of question 2 to 7.

- Q.2 Guru leaves for Boston and convenes the meeting of the Governing Council of the St. Peter's Symphony Hall. In the meeting he informs the members about the concert who agree to decide the matter on the next day. Meanwhile, the two managers Aman and Yatan of Mohd. Sofi who are very curious about this concert enter into an agreement. As per the terms, if the council gives its approval Aman will take Yatan to Mc Donald's. And if the council refuses the concert, Yatan will take Aman to KFC. The council approves for the concert. Yatan asks Aman for his award. Differentiate between contingent contracts and wagering agreements and determine whether this agreement is enforceable? (09)
- Q.3 As soon as the people in the USA came to know that Mohd. Sofi was coming to the USA, various organizers, event managers started approaching him for stage shows and concerts. On knowing this and in order to secure the audience at St. Peter's Symphony Hall, Guru enters into an agreement with Mohd. Sofi that three months before and three months after the concert, Mohd. Sofi will not enter into any similar agreement with event managers in Boston or in the nearby cities of Cambridge, Brookline and Manchester. Mohd. Sofi agrees to the same for a reasonable hike in fees. Is this a valid agreement? Apply the provisions of Indian Contract Act 1872 and relevant case laws. Discuss the scenarios in which agreement in restraint of trade not void. (09)
- Q.4 On the 15th July, citizens of Boston, unhappy with their Mayor, went on a strike for 15 days. The movement received great participation from the citizens and majority of the population was on streets for almost 10 days. Owing to the strike, the tickets of the show remained unsold and the Council of St. Peter's Symphony Hall on account of incurring losses postponed the concert to 30th of August, 2019 assuming that by then the strike would end. Mohd. Sofi was unhappy with the decision as he already had scheduled the date for performing at the inaugural of FilmFare Awards in Mumbai for which he was to be paid ₹ 1 lakh and if he changes the date half of the amount of his fees would be deducted. However, Guru refused to consider anything and conveyed to Mohd. Sofi that the contract had become void on ground of impossibility and he was discharged of his liability. In the light of the provisions of Indian Contract Act 1872 and the relevant case laws, decide whether the contract has become void on the ground of impossibility? (09)
- Q.5 Mohd. Sofi agrees for the new date i.e. 30th August, 2019 after making changes with the organisers of FilmFare Awards who agree to schedule his performance for the closing ceremony on 1st September 2019 and deducted ₹ 50 thousand from his fees too. He informs Guru that he has to leave from Boston immediately and so Guru must make the necessary arrangements. Guru agrees for the same. However, to everybody's surprise the strike still continued and only half of the tickets were sold. The Council of St. Peter's Symphony Hall and Guru decide to call off the concert and inform Mohd. Sofi on 25th August 2019 about the cancellation. (09)

By applying the provisions of Indian Contract Act 1872 and the relevant case laws, decide whether there is breach of contract and determine the amount of damages that can be claimed by Mohd. Sofi.

- Q.6 Mohd. Sofi reached Boston as per the schedule and was ready to perform the contract. But on the night of 29th August, 2019, the movement turned violent and several public places and public property were burnt along with the St. Peter's Symphony Hall. Enraged by this, Mohd. Sofi immediately returned to India and filed suit against Guru for breach of contract and claimed damages. On the other hand, Guru demanded refund of the advance already paid. Determine the rights and liabilities of the parties in the light of the provisions of Indian Contract Act 1872 and the relevant case laws. (09)
- Q.7 If Mohd. Sofi had refused to perform the contract, could Guru get a decree of specific performance of contract against him? Analyse Section 14 of Specific Relief Act, 1963 and answer the above question. (09)

Sec 14. Contracts not specifically enforceable.—the following contracts cannot be specifically enforced, namely:—

- (a) Where a party to the contract has obtained substituted performance of contract in accordance with the provisions of section 20;
- (b) A contract, the performance of which involves the performance of a continuous duty which the court cannot supervise;
- (c) A contract which is so dependent on the personal qualifications of the parties that the court cannot enforce specific performance of its material terms; and
- (d) A contract which is in its nature determinable.
